



aseema

VOL. 16 ISSUE 06 PAGES 52 JANUARY 2015 POUSHA (JAYA)

www.aseema.net.in

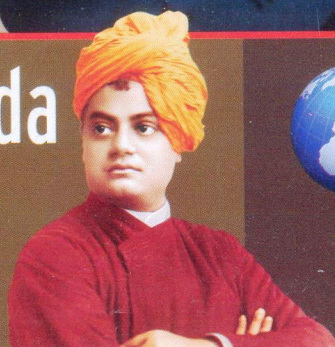


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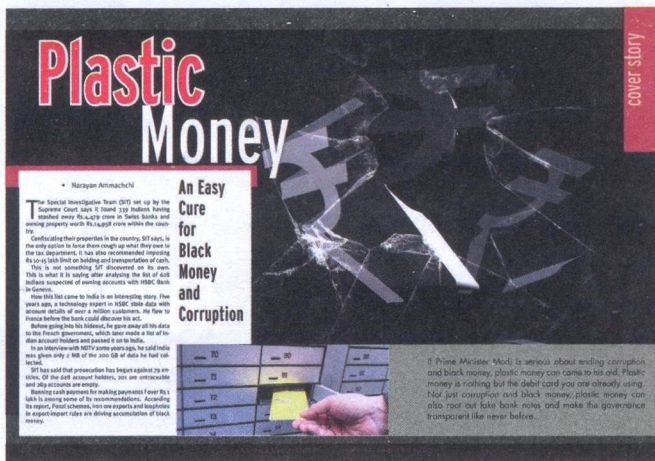
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Transcending Boundaries

Volume: 16 Issue: 06 January 2015
Pousha (Jaya)

Published & Printed by
NARAYAN SEVIRE for and on behalf of the
owners **JNANA BHARATHI PRAKASHANA**,
Mangalore
aseemamagazine@gmail.com / 0824-2497091

Published at
JNANA BHARATHI PRAKASHANA
City Point, 4th Floor, Kodialbail
Mangalore 575003

Printed at
DIGANTHA MUDRANA LTD.,
Yeyyadi Industrial Area, Yeyyadi
Mangalore 575008

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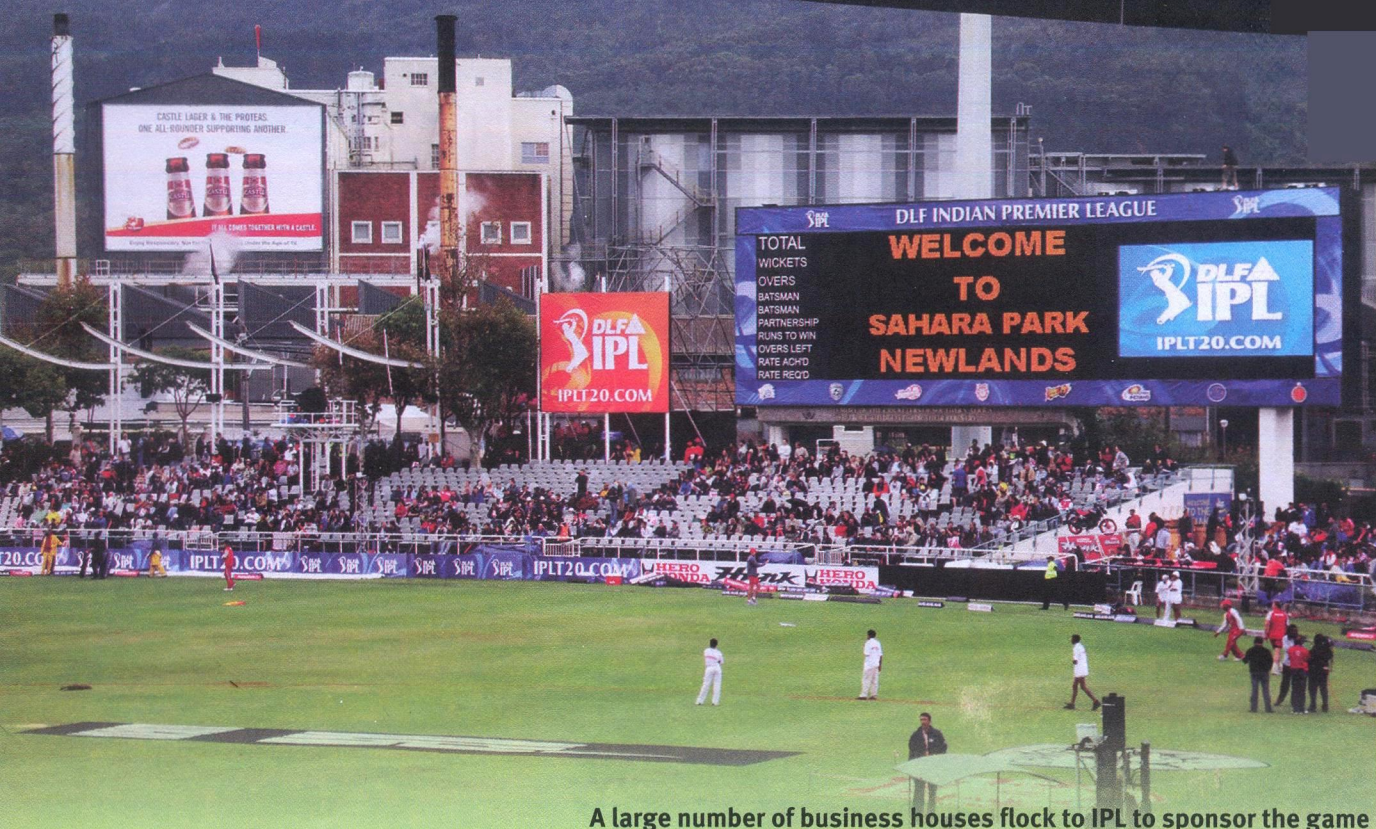
Design, Pre-Production,
Marketing & Editorial Services



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A large number of business houses flock to IPL to sponsor the game

Corporate Games

Make-over for Sports with Companies' Entry

• Raju Shanbhag

Not everyone may look at business sportingly, but sports these days have become big business. Large corporate houses routinely pump in huge amounts into sports, and players are all laughing their way to the bank. On the surface, it looks like a win-win scenario for both the sports and the sponsor.

But like every story it has another side.

Corporate presence in Indian sports has been on the rise for the last four to five years. While there is an understandable clamour for cricket sponsorship, even other hitherto neglected sports like Kabaddi and football are getting a shot in the arm with renewed corporate interests and repackage presentation from the media houses.

In fact, India's corporate sponsorship of sports is esti-

mated to make the Asia Pacific region charge as the fastest growing sports sponsorship market in terms of spending in the coming years, according to global sponsorship consultancy IEG. Indian companies were among the three of the top 50 sponsors in 2011. One of these deals had little to do with cricket. There are other signs too to show that cricket's stranglehold on sponsors is loosening. In football-crazy Kolkata, Rs 34.93 crore was recently splashed on foreign stars like Hernan Crespo and Fabio Cannavaro for the inaugural Premier League Soccer. Global sports company ING is not promoting cricket, but football and basketball in India.

Indigenous sports like Kabaddi too have made a comeback, thanks to persistent marketing and sponsorship from some deep pocketed sponsors. Pro-Kabaddi is an eight-city league played in a "caravan format," travelling

It is both good and bad: the corporates' entry into sports, especially cricket, has enabled the players as well as the sponsors to gross millions but the image of the noble game of cricket is tarnished by spot fixing and other misdeeds of greedy individuals. The ongoing case against India Cements owner and his son-in-law is a case in point. The hand of the underworld dons like Dawood and his associates is also talked about in spot fixing scandals. When money-making takes the front seat, the game is pushed to the background as it is happening now in Indian cricket. On the positive side, hitherto neglected games like Kabaddi and football are also getting corporate sponsorship these days.

together to all eight venues to play 56 league matches, two semifinals, one 3rd and 4th position match and a Grand Finale, making a total of 60 Matches.

These are the good effects of corporate sponsorship of sportsmen and sporting events. But there are countless ill-effects too. Sponsors and other commercial interests involved in the game are sometimes not happy with the progress made by sports' governors. They sometimes use their financial clout to influence faster change. Corrupt sport can adversely impact the companies and brands they deal with. There are growing concerns that a corrupt sport's tarnished image could be transferred to a part-

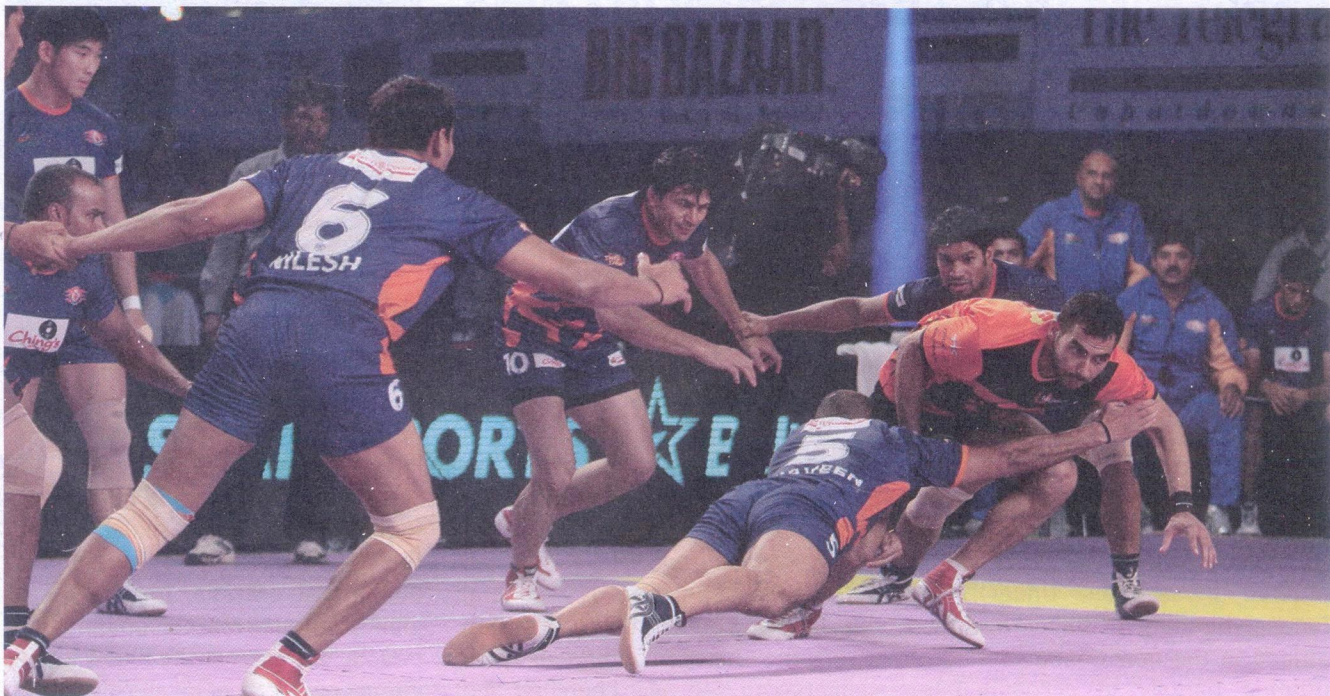
ner or sponsor—and those consumers might boycott a sponsor's products.

Unprecedented volume of money in sports brings unprecedented levels of corruption. The Indian Premier League, a shorter format of cricket, was recently rocked by match fixing and spot fixing scandals. The role of many corporate honchos, including Srinivasan, owner of Chennai Super Kings and Managing Director of India Cements, is still being investigated in these scandals. Liquor baron Vijay Mallya has stakes in almost all the teams of IPL.

While corporate sponsoring of ailing sports like Kabaddi and football can be a boon to the game, large amount of money has the ability to

corrupt even the best of minds. Sri Lankan fast bowler Lasith Malinga retired from playing Test cricket for his country to play for IPL. For a fast bowler, Test cricket is a laborious task. They have to bowl for days together, often on unresponsive modern day batting paradises. On the other hand, they just have to bowl 24 legal deliveries in a twenty-20 game, and they get more than double the money!

Most of the corporate companies who put money in sports are not attracted by the love for the game. Rather, they do it to popularise their own products and services, riding on the popularity of the game. That's the reason why you find endless sponsors for cricket and cricketers in In-



Hitherto neglected local games like Kabaddi are getting a makeover, thanks to corporate sponsorship

dia and hardly any sponsor for other sports. Until recently, this has led to a serious imbalance in the sports achievements in our country. While India has won two one-day cricket World Cups and even a twenty-20 World Cup, our achievement in other sports is dismal.

Most youngsters have taken to sports because of their glitz and glamour. And glamour comes to sports because of corporate sponsorships. In India, there is always a long list of aspirants to join cricket coaching centres. But even our national sports, hockey, does not command the same craze like cricket.

Corporate money in sports is a good thing, if handled properly. Problems arise when the money and management of sports become unaccounted for.

Corruption seeps in sports and it all becomes a mess. The government and the sports authorities should take enough care to ensure that the money doesn't corrupt the very sports they are sponsoring. Accountability is the key.

The IPL Business Model

IPL franchise owners, which include large corporate houses and big ticket Bollywood heroes, have brought in lots of money and glamour to the competition. While a lot of money is splurged on ostensible comforts, one cannot resist the question, how do all the franchise owners make money?

Since IPL is a corporate show, they have ensured that the business is nearly risk-free, irrespective of the performance of their respective teams. That is because running an IPL team doesn't really cost much for a corporate house. The cost of acquiring a franchise is low. For example, if Reliance Industries won the Mumbai team bid for INR 6,714 million, it has to pay IPL only a tenth of that amount. In RIL's case, that is INR 6,671 million a year. And that is a team's biggest expenditure. Play-

er wages, fixed at INR 300 million then, is now capped at INR 540 million. Logistics and administrative costs account for another INR 12-18 million.

Teams get nearly INR 600 million a year from IPL's central broadcasting and sponsorship pool. It is their biggest source of revenue, contributing almost 70% of income. The teams keep earnings from ticket sales, sponsorship deals they strike on their own, and from merchandise such as replica shirts and sundry souvenirs.

Together, these returns offset the personnel costs. Under Lalit Modi's three-year reign at IPL, teams benefited a great deal as he managed to rope in new sponsors. Modi also introduced a rash of ad breaks, notably the scheduled 10-minute match break called "strategic time-out".

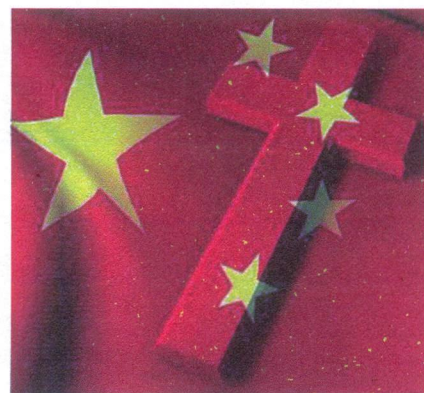
Rapid spread of Christianity in China forces an official rethink on religion

THE coastal city of Wenzhou is sometimes called China's Jerusalem. Ringed by mountains and far from the capital, Beijing, it has long been a haven for a religion that China's Communist leaders view with deep unease: Christianity. Most cities of its size, with about nine million people, have no more than a dozen or so visibly Christian buildings. But, of late in Wenzhou, hundreds of crosses have come up over the church roofs.

Christians in China have long suffered persecution. Under Mao Zedong, freedom of belief was enshrined in the new Communist constitution (largely to accommodate Muslims and Tibetan Buddhists in

the west of the country). Yet perhaps as many as half a million Christians were harried to death, and tens of thousands more were sent to labour camps. Since the death of Mao in 1976, the party has slowly allowed more religious freedom.

Christianity is hard to control in China, and it is getting harder now. It is spreading rapidly and infiltrating the party's own ranks. The upsurge in religion in China, especially among the ethnic Han who make up more than 90% of the population, is a general one. From the bullet trains that sweep across the Chinese countryside, passengers can see new churches and temples springing up everywhere.



Buddhism, much longer established in China than Christianity, is surging too, as is folk religion. More and more people are making pilgrimages to Buddhist shrines in search of spiritual comfort. All this is worrisome to Communist officials, for whom religion is not only Marx's "opium of the people" but also in their view a dangerous perverter of loyalty away from the party and the state.

Troubled Waters

Navy's Resources Stretched to the Limit



Indian Navy has many aged vessels in its fleet

Sailing is no longer smooth for the Indian Navy. The pride of India, the Indian naval force, has been struck with mishaps, mismanagement and accidents for a while now. Of late, it has met with numerous accidents which have dented its morale.

The latest in the series of accidents was the one at Visakhapatnam, where a sailor was killed and four went missing after a torpedo recovery vessel (TRV) sank. Before this, tragedy had struck the submarine, INS "Sindhurakshak". On August 14, 2013, 18 crew members died due to blasts in the torpedo compartment of the submarine, berthed at the Mumbai harbour.

In the last one year alone, there have been dozens of such accidents and mishaps. It gives one shudders to think about the security of the nation when one of its major defense wings is in such a precarious condition.

Why have such a large fleet of submarines and other critical equipment of the Navy suddenly stopped functioning? The question has many answers with various dimensions.

Accidents and mishaps have dogged the Indian Navy for the last two years or so, as a result of which it is finding itself in deep waters. It has an ageing fleet and equipment that are not well-maintained and is starved of funds. Some naval personnel have been found guilty of negligence in the INS "Sindhurakshak" blasts on August 14, 2013, that resulted in the death of 18 naval personnel. Unless the new government takes urgent steps to modernise the Navy, the country will be vulnerable to attacks again from terrorists or from some other belligerent nations.

If the Government does not act fast and take some drastic measures, the Navy may face more mishaps and its reputation may sink faster than its

own vessels; and that's quite worrisome.

One of the major problems of the Navy is its ageing fleet. Most of the submarines were bought in the late 80's and are on the verge of being decommissioned. As usual, the government is sailing paper boats when it comes to procuring new vessels and equipment for the Navy. A cabinet committee was formed in 1999 and it promptly proposed a 30-year plan to build submarines. According to the proposed plan, 12 new submarines were to be inducted by 2012. Last heard, not a single submarine was inducted and the proposal is caught in the never-ending sea of red-tapism.

The Navy will soon have to retire ten Kilo-class Russian and four German HDW submarines, and with no budget for new vessels and no indigenous production of vessels in sight, it might find itself short of ships in the very near future. On the one side, the Navy is struggling with its ageing fleet and, on the other, it is in acute shortage of modern warfare accessories like marine helicopters.

The endless stretching of limited re-

sources is being cited as one of the reasons for the recent mishaps. The government's lackadaisical attitude doesn't help much. While the Navy rues the lack of modern equipment, the government often censures it for lack of discipline and proper maintenance of equipment! In fact, the Chief of Naval Staff (CNS), Admiral DK Joshi, resigned because of the constant tussle with the government and taking moral responsibility for the INS "Sindhurakshak" mishap.

The Navy, has to often juggle with multiple tasks. It always has to be ready for war, maintain naval diplomacy and carry out constabulary or policing throughout the waters of the nation. It has in all 120 ships, eight destroyers, 15 frigates, eight guided-missile corvettes, 13 submarines and eight major amphibious ships.

It is quite clear that the requirements of the Navy were neglected in the past decade or so by the then Congress government. But the Navy cannot simply pass the buck and blame the bureaucrats for everything that goes wrong. Not all these mishaps were due to ageing vessels. Some, according to reports, were due to lack of maintenance and care. Sri Manohar Parrikar as Defence Minister has raised the hopes of the Navy. Parrikar is an IIT graduate, and the senior leaders in the Navy are hoping that he will understand the technical difficulties it faces.



The Terror Scare

Terrorist attacks change the way the defense system operates in a country. In the case of the Indian Navy, the 26/11 terror attacks dealt a fatal blow to its reputation. The terrorists sailed through the sea to reach Mumbai, unharmed, unstopped, to commit heinous crimes.

Questions were raised about the ability and agility of the Navy in defending our naval borders. Before the 26/11 attacks, the Destroyers and Frigates used to be on a fortnight's exercise once a year with enough time for recoup, maintenance and review of conventional war-fighting doctrines. This left the Navy with ample time, energy and assets to pursue its secondary role: Navy diplomacy.

After the 26/11 attacks, the Navy was given the overall responsibility of maritime security with the Coast Guard and the state marine police assisting it. The job demanded accountability with little authority and, worse, it remained open-ended.

Next, the Navy, starting 2009, got involved in anti-piracy operations in a big way. For months, cutting-edge ships have been on these duties with their main radars switched off, sailing around in circles.

**The mishap at
INS Sindhurak-
shak dented the
reputation of the
Indian Navy**



Refugees of Jammu & Kashmir

• Prashanth Vaidyaraj

Yuv Raj Gupta left his home in Mirpur in 1947 after the Kailashali raids. He and his family members escaped from the raiders and the Pak army and travelled the distance on foot and settled near Jammu. But even after 65 years, they continue to live in a deplorable refugee camp on the outskirts of Jammu.

Bharat Bhushan and his family were driven out of Sialkot, Pakistan, in 1947 during partition. They settled in a refugee camp near Jammu. Bharat Bhushan does not have the rights of a common citizen of Jammu & Kashmir. To this day he cannot vote in the Assembly elections or find proper higher education or jobs for his grandchildren.

There are lakhs of such heart-wrenching stories of human rights violations that are a reality in Jammu & Kashmir but never deliberated in the media or in the political sphere. Every year December 10th is observed as the 'Human Rights Day' by the UN.

The United Nations defines Human Rights as the "Rights inherent to all human beings, whatever our nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. We are all equally entitled to our human rights without discrimination."

A glance at the cases cited above clearly that rights of these sufferers have been grossly violated. The neglect of the refugees in J&K is also in violation of several fundamental rights bestowed upon them by the Indian Constitution.



POJK refugees staging protest demanding one-time comprehensive permanent settlement.

Courtesy: dehatsandesh.com

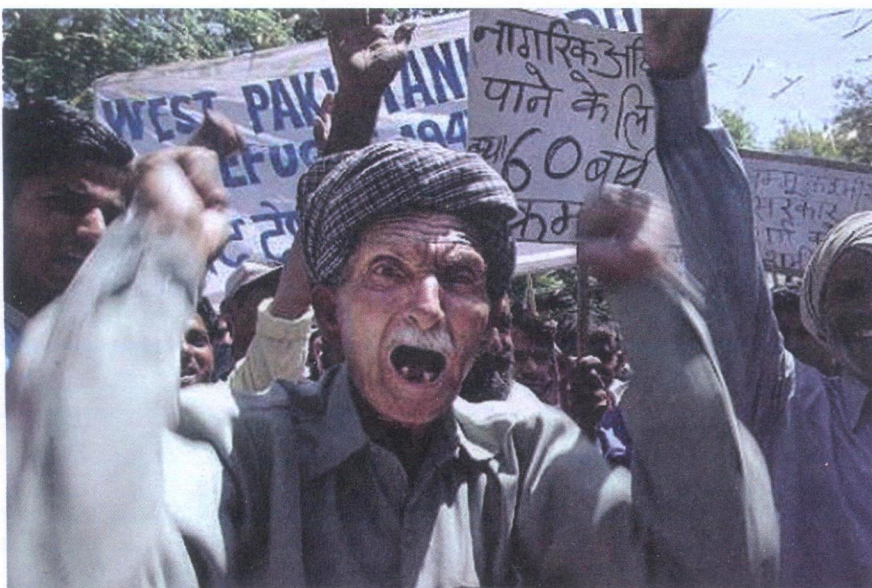
There are thousands of refugees living in appalling conditions in Jammu & Kashmir. They are the unfortunate ones who had to leave their home and hearth during partition, during the ethnic cleansing of Pak extremists and due to wars with Pakistan. They are not State subjects; they are denied citizenship and they are discriminated against in every sphere of life in J&K. The miserable living conditions of Kashmiri Pundits are well-documented and yet no organisation, no government, has taken serious note of their plight so far. The question is, how long can this continue?

NO ONE CHOOSES TO BE A REFUGEE!

The origin of the refugee problem in J&K is a heart wrenching story. Many Hindus and Sikh families, mostly from Sialkot district of Pakistan, were forced to leave under threats from Islamic fundamentalists after the Islamic Republic of Pakistan was carved out of India. Though they were

regarded as citizens of India in 1947 after they entered Jammu, they were not deemed to be subjects of the State of Jammu & Kashmir.

Section (6) of the J&K constitution categorically states that only those citizens of India will be deemed as permanent residents of J&K only if they were either State subjects of the princely state of J&K or had lawfully acquired immovable property in the



West-Pak refugees protest their continued neglect even after 60 years.

state until 1944. Refugees who came from West Pakistan did not fall in this category and hence even to this day are not considered as permanent residents of the state. Consequently, they cannot own property in J&K or get jobs in the state government or get admitted to state government-run professional colleges nor can they vote in the J&K Assembly elections. In other words, they have no basic rights of a citizen that the state subjects enjoy. Estimates say that there are over 1.5 lakh West Pakistan refugees living in the border districts of Jammu, Samba and Kathua in squalid camps even after 65 years.

International human rights laws unequivocally prohibits citizenship based on "jus sanguine", i.e., based on the nationality of their parents, instead of where they are born. Ironically India is a signatory to such laws, yet everyone in the government and politicians consider it "politically incorrect" to raise the State subjects issue of these minority Sikhs and Hindus.

ONE FAMILY TORN APART BY WAR IS TOO MANY – UN

The tale of another category of refugees, those from POJK (Pakistan Occupied J&K) is as painful and tragic.

There are 1.2 million "wounded souls" from POJK, who were subjected to genocide during the so-called "Tribal Attack" that was fully sponsored, aided and abetted by Pakistan Army during October-November 1947. These raids destroyed not only the life and property of lakhs of Hindus and Sikhs but also the very fabric of human society and relationships. They belonged to those areas of J&K State which were part of the princely state but are now under the illegal occupation of Pakistan. Those who were displaced were not allowed to settle in the Kashmir Valley as the leaders of the valley wanted to preserve its 'Kashmiriyat'!

They were categorized as 'Displaced Persons' by the government of J&K and not as refugees. The government's position has been that, since they have migrated from POJK, which is legally part of India, they are technically not qualified to be categorised as 'refugees'. Hence, they cannot claim the benefits of refugees. The Government of India did not even compensate them for the properties they left behind. The displaced persons from POJK have no reservations in education or in the services.

WHERE DO I LIVE?

The plight of 2.5 lakh 'Chhamb refugees' and other displaced persons during wars with Pakistan is largely self-inflicted. Nearly 5,000 families were displaced in 1971 from Chhamb under the Shimla Agreement, which ceded additional area of Chhamb to Pakistan. A large number of people migrated from villages on the border and Line of Control during the wars in 1965 and 1971. Many of them were advised to vacate their lands, about 16,000 acres, by the Indian army to enable it to lay mines on the border.

Most of these refugees were farmers and they were settled along the border from Akhnoor to Kathua. They were not provided full quota of land as prescribed by the State Revenue Authority and in proportion to the land they had lost in Chhamb. The monetary compensation paid to them was so meagre that they could not even build a decent shelter that could provide an honourable living for them and their families.

AND THE WORLD REMAINED SILENT!

Since late 1989, J&K has been in the grip of a vicious movement of Pakistan-sponsored extremist terrorism. This conflict of a sub-conventional war has inflicted enormous suffering on the people of the state over the last two decades. Among the worst victims of this conflict are the Kashmiri Pundits (KPs), who have been the victims of one of the most successful campaigns of ethnic cleansing in the world. Pogroms of far lesser magnitude in other parts of the world have attracted international attention, censure and action in support of the victims, but this insidious campaign, on which the world remains silent, has passed unnoticed!

A CRY report on the conditions in the refugee camps of the migrant Kashmiri Pundits states that '49.13% of children suffer from diabetes and 48.15 % from anaemia. 45% of chil-

dren suffer from malnutrition and 57% from nutrition related diseases”.

More than two lakh KPs still live in abysmal conditions in Jammu with families of five to six people often huddled into a small room. Such conditions have taken a severe toll on their physical and mental health. The national and international human rights organisations, who often raise the human rights issues in favour of the separatists, have not taken any notice of the tragedy these people have suffered.

BUT WHO CARES?

The condition of these refugees and the continued neglect of the governments is a clear violation of Article 15 of the Constitution which prohibits any kind of discrimination on grounds of religion, race, caste, sex or place of birth. The Protection of Human Rights Act, 1993, has been rendered useless in the case of the refugees of J&K. The National Human Rights Commission has been a paper tiger when it comes to handling genuine cases of human rights abuses of these refugees.

A team of Interlocutors was constituted by the Government of India in October 2010. The team had recom-



Kashmiri Pandit refugees demand a separate homeland.

courtesy thekashmir.wordpress.com

mended adequate compensation, rehabilitation of Sikh and Pandit families and the grant of State Subject status to refugees from West Pakistan as part of CBMs under 'Human rights and the rule of law'. None of these has been implemented yet.

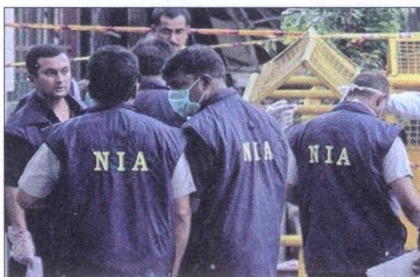
Any solution to ameliorate the

plight of the refugees must be lasting and acceptable to the refugees themselves. It is only then that we can claim that the human rights of these refugees have been duly restored to them, else ritualistic observance of 'Human Rights Day' on December 10th of every year means nothing.

Jamaat set up 'couple modules', says Burdwan Blast probe

Fatema Akhtar, wife of Burdwan blast case prime accused Sajeed, heads the women's wing, the Jamaat-ul-Mujahideen, Bangladesh. She has reportedly confessed to having trained at least 30 women terrorists in India. Fatema, who was arrested by the Bangladesh police, revealed how the Jamaat set up "couple modules" in various parts of West Bengal.

Following her arrest, Dhaka police told the media that Fatema had trained women recruits at Burdwan's Simulia Madrasa, which allegedly had links with Gulshana Bibi and Amina Bibi, the two arrested for their alleged involvement in the Burdwan



blast.

Reports say that Fatema recruited young women from poor families, indoctrinated them and later trained them in jihad. The Simulia Madrasa had an unwritten convention: The women trained there would be married only to men who are on the same

'mission'. The Jamaat set up "couple modules" which worked very well as it was easy to get houses on rent in Bengal if it was a 'family.' After marriage, the couples were sent to various parts of Bengal to carry out the Jamaat's terror plans. The other women arrested have infants. Fatema has a 20-month-old baby.

A four-member NIA team visited Dhaka recently where Indian agents shared information, including phone numbers, with the Dhaka Metropolitan Police, which led to Fatema's arrest along with three others - Abdullah Kazi, Isharat Ali Sheikh and Shaukat Sardar.

Our fixation with the Western concept of nation-state has stunted the growth of indigenous political systems. India is an uncomfortable fit in the definition of nation-state. A proper theoretical framework of "civilizational state" will help us understand the emerging issues and evolve an appropriate response to them.

Need for a New Paradigm

From Nation-State to 'Civilizational-State'

• Abhinav Prakash

The concept of nation-state is a modern construct which evolved around the 16th century in the Age of Enlightenment and Renaissance. As the political order of the Medieval Age came into question and the importance of rule by consent was celebrated, there was a decline in the power and ability of church-monarch nexus to rule in the name of divinity. Nation-state is a modern construct comprising a single nation as its predominated constituency. Nations are basically based on a common language, religion, ethnicity and common history and myths. And nation-state is the modern system of states which evolved in Westphalian Order after the Treaty of Westphalia, 1648. A modern nation-state is bound by defined geographical area under political legitimacy enjoying sovereign power. The concept occupies a central place in Western liberal political order.

The colonial rule in India denied the claim of India being a nation-state and presented it as consisting of multiple, different and competitive feudal states. Colonial rule also arrested the growth of modern institutions in India. The claim of self-governance for India was rejected with a simple colonial logic that India is not a nation but a collection of different communities and groups unified under British imperial authority. To quote John Strachey, a British colonial administrator, "The first and the most essential thing to

learn about India is that there is not, and never was an India, or even any country of India, possessing, according to European ideas, any sort of unity, physical, political, social or religious, no Indian nation, no people of India, of which we hear so much." It had implications for the political unity of the country as was well exemplified by Jinnah who said, "India is not a nation nor a country. It is a sub-continent of nationalities." Therefore, it is not surprising that Indian politicians and intellectuals of the nationalist movement devoted a lot of effort in "proving" that India is a unified nation in the fashion of the European nations. The line of argument has changed a little over time with the argument now being that although dissimilar to European model, India is a nation-state too.

But with a few exceptions, no one questioned the very premise of these concepts and why India should be a nation-state. We just accepted and continue to accept this construct as sacred and as an ideal to which we must strive to. So much so that we even failed to scrutinise the record of European nation-states and how they came into existence, the violence and devastation which were part of the process. When European scholars deny the "nationhood" of Indians, and hence the basis of political unity of India, due to lack of "right ingredients", we fail to ask whether they themselves fulfilled these criteria when their states were created. After all, even at the time of the French Revolution in 1789, only

about half of its people spoke French! The number of Italian speakers was even lower during the Italian unification! It was the hegemonic policies employed by these respective states which ensured that various dialects and languages were either assimilated into the official language or phased out.

It is common for Indians to face the sarcastic question, "Which Indian are you? Aryan, Dravidian or Austro-Asiatic, Tamil, Assamese or Punjabi?" And it is even more common for Indians to resort to a shallow incoherent defence of "unity and sameness" of Indian people in the face of such questions. It is because we not only lack an understanding of our own history and civilization but also that of the others. So, when a British calls himself a British, we never question which British? Scot, Irish, Wales? Or Pre-Celts, Celts, Romans, Anglo-Saxons, Jutes, Norse, Normans who invaded Britain at various points in history? Indians are faced with such difficulties because they accepted the European concepts arising out of their unique historical experiences as "universal truths" and even that too in a shallow manner. Most of the separatist movements in India base their arguments for self-determination on the basis of India not being a single nation. And they have more coherent, clear line of argument and thus find a captive audience than those who claim that India is a single nation.

But why should India be a nation-state? And if it is not a nation-state,

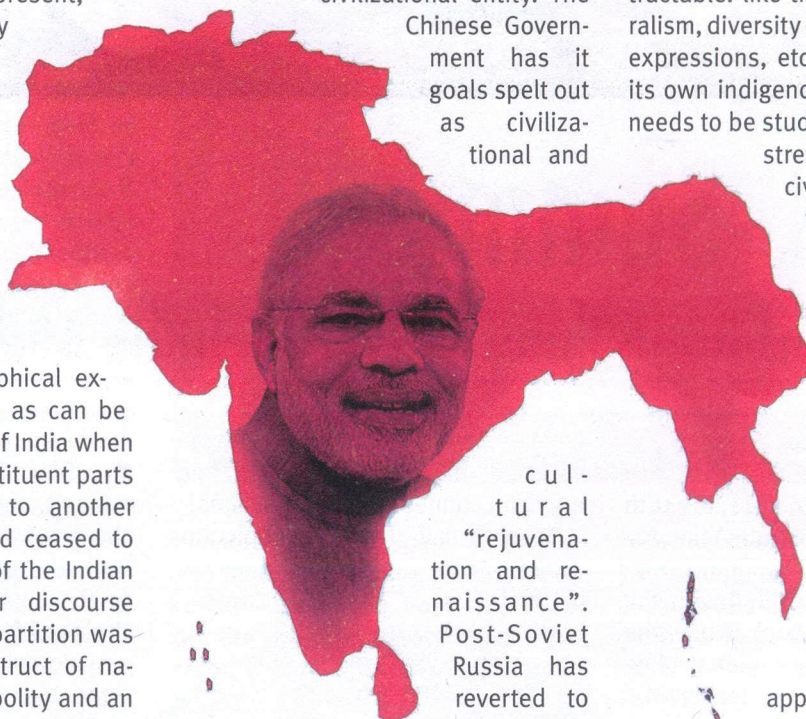
then why should it cease to exist? It is clear that our fixation with this idea has stifled our political thought and growth of indigenous political system. We have failed to see the obvious that India is a civilization and what exists as the "Union of India" today is a unique civilizational state. The Indian sense of identity emanates not from the last century when India began to imagine itself as a nation-state but from the civilizational continuity of the past several millennia. At present, most of the geographically contiguous constituent parts of its civilization are united under a single political authority and this political unification derives its justification from the shared civilizational heritage of its constituent parts. Its extent and authority hinges upon the geographical extent of Indian civilization as can be attested by the partition of India when a large section of its constituent parts shifted their allegiance to another civilizational narrative and ceased to see themselves as part of the Indian civilization. But popular discourse continues to project that partition was a result of modern construct of nationality and democratic polity and an outcome of colonial policies. In fact, it was a much deeper shift. It was the result of a civilizational shift, contraction to be more accurate, in the Indian sub-continent.

The Indian state cannot be simply compared to Britain, France, Italy or any state in the West. It is imperative that Indian scholars put in their effort to analyse this unique political construct without being hooked to the Western concepts and categories. They must evolve the theory of civilizational state and its functioning. Because it is clear that world is moving beyond nation and nation-states towards a world order built on civilizational units. European countries have already taken significant strides towards a united European Union with single currency, market and open borders, and efforts

are on for a single central bank, parliament and security apparatus. It has to be noticed that EU continues to deny full membership to Turkey, as Turkey lies outside the civilizational boundaries of Europe.

Pan-Islamic movements with expressive intent of re-creating a Caliphate are becoming stronger among Muslim populations around the world. China is slowly but clearly shedding its communist past. It already projects itself as a civilizational entity. The

Chinese Government has its goals spelt out as civilizational and



of Orthodox Christian world. The Orthodox Church is playing an ever-increasing role in the lives of Russians in recent times and Russia has not hesitated to go to war to defend its national sphere of influence which are actually its civilizational boundaries. We may see more and more such entities arising and more countries around the world shifting towards emphasising their cultural, religious and civilizational identities. Civilizational boundaries are expected to become more important than national boundaries and it seems that they have already begun to command more loyalty from people than the nationalistic boundaries. The recent case of thousands of Muslim youth travelling from Europe,

India and other parts of the world to the newly established Islamic State is indicative of this new trend.

But the cause of promoting Indian civilizational state has not found profound place in our policies and decisions. India enjoys the world's most rich, liberal, diverse, multi-linguistic, multi-religious civilization based on Dharma and has been so in its historical trajectory. It has been solving most of the problems which others found intractable. Like those arising from pluralism, diversity of languages, spiritual expressions, etc. for millennia within its own indigenous framework, which needs to be studied. Preservation and strengthening of Indian civilization should be the prime objective of India's all policies. The central focus must be the socio-economic uplift of masses which are coming out of the centuries of colonial rule and oppression.

A proper theoretical framework will help us understand the emerging issues and evolve an appropriate response to them. It will also be helpful to transcend the "breaking India" forces by changing the rules of the discourse instead of engaging in the endless debate whether India is a nation or not -- a debate where detractors of India have a clear advantage. It will also enable India to overcome its old confusion about its identity and purpose in the world and evolve a grand narrative and a grand strategy.

In this context, the first major task ahead is to put forward the concept of Indian civilizational state as a theoretical and political construct in order to find answers to pertinent questions which have eluded us so far.

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(First Published on IndusResearch.org)



SAARC Summit 18

A Challenging Game for India and the Region

• Dheeraj P.C.

On November 27, 2014, the 18th summit of the South Asian Association for Regional Cooperation (SAARC) concluded with the 'Kathmandu Declaration'. While the participants were the regional players, the observer group consisted of Australia, China, the US, EU, Iran, Japan, Korea, Mauritius and Myanmar. The positives of the summit were in tandem with much of the laid out objectives devised at the inception of the summit. The theme was a call for 'deeper integration for peace and prosperity' in the region. The highlight of the summit was that the eight nations promised to sign two important agreements, namely, the SAARC motor vehicles agreement for the regulation of passenger and cargo vehicular traffic, and the SAARC regional agreement on railways. Apart from these, there were discussions and assurances of co-operation with each other on

development of the existing trade, investment, infrastructure, finance, energy and connectivity mechanisms.

Beneath all these conspicuous achievements and the bonhomie created among

from an Indian strategic perspective. Since the commencement of the summit, the focus was primarily on the newly-elected Prime Minister of India Narendra Modi. Modi's address to the summit primarily highlighted the need for a better development of a socio-cultural-economic link within the region. Much of his deliberations which included the creation of business friendly environment and development of people-to-people relationship would directly benefit many of his dream projects initiated at home. Adding to this Mr. Modi called for a joint effort to combat terrorism which was viewed as a common enemy.

Although the summit had got the nations on a single platform, it failed to bring about a consensus on issues. Pakistan, whose presence has been seen as the strongest impediment to the growth of the association, was just as usual. The two agreements, which were to be signed before concluding the summit, were not signed because

The 18th SAARC summit has ended, but Pakistan tried its best to derail the talks and also delay signing some of the crucial agreements on flimsy grounds. Its sole aim – to destabilise India – found expression at the summit when it stalled the signing of two agreements, stating that it had not been given sufficient time to study the agreements. With China's tacit support, Pakistan is trying to outwit India. Deft policy is needed to blunt the edge of Islamabad's moves to foment chaos and confusion in this country.

the players of the region lie some of the obscure factors that need to be analysed

of Pakistan's disapproval citing lack of time to take a decision. It stated that the issues were still under discussion back home due to shortage of time provided by the SAARC secretariat.

Apart from hindering the process, there has also been another serious area of concern that needs to be looked into with respect to Pakistan. Pakistan and China have been in an 'all-weather friendly relationship' which, quite obviously, has been a derivative of mutual hatred towards India. This friendship has brought rich dividends to the Chinese interests in the region. Pakistan acts as the conduit to the Chinese interests within the region. The uncooperative attitude of Pakistan in these summits does not provide any direct benefit to it since it would also be a beneficiary if it co-operated with the other countries. However, destabilisation of India seems to be Pakistan's sole motto and by doing so it has been able to obtain remarkable benefits from China in various sectors.

India's position in the region is seen as that of a big brother owing to its multidimensional superiority in comparison with the other SAARC nations. Capitalising on this factor could provide India as well as the region with quality results. Yet, anti-India forces have gained significant momentum within the region. Even with respect to counterterrorism, which was one of the points highlighted by Mr. Modi, not much can be expected. Terrorism has been a common enemy of the region and has been haunting even countries like Pakistan and Afghanistan which have nurtured terrorist organisations. Sri Lankan President Mahinda Rajapaksa, too, called for a common voice for combating terrorism. Ironically, Pakistan Prime Minister Nawaz Sharif called a dispute-free South Asia despite being adamant on his non-cooperative behavior. If the region has to witness a terror-free environment, a healthy cooperation from Pakistan is inevitable. However, the recent attacks in Jammu and Kashmir amidst the



electoral process speak otherwise. The Indian Army asserts that the terrorists came from Pakistan, based on the evidences recovered. Also, recently Jammāt ud-Dawā, an organisation condemned by the US as well as the UN, was allowed to hold a rally in Pakistan. As long as such elements find safe haven in Pakistan, any counterterror initiative undertaken would be a farce.

China has been growing at a fast pace in the region and has embraced not only Pakistan but also Nepal, Sri Lanka and Bangladesh. Unlike Pakistan, the other nations do not share an 'all weather animosity' towards India, nor do they have an ideological connection with China. It is only the recent experiences in the bilateral and multilateral forums that have hampered the Indian influence over these countries. It could be the Indian vote against Sri Lanka in the UN or the incapability of Indian side in economically developing Nepal. Yet, this summit cannot be the sole judge of India's

position in the region. The recent visits of Modi to Nepal and other South Asian nations have brought about an array of hope in transforming the nature of the relationships. The Indian leadership and the MEA must work towards developing policies and undertake initiatives that would leave a larger footprint in the region and allow Nepal, Afghanistan, Bhutan, Bangladesh, Maldives and Sri Lanka to side with it. Alliance could be formed through undertaking joint development programmes in other strategic sectors and also through provision of financial and infrastructural assistance in sectors like power, energy, transport, etc. which would help India keep China at bay. This can be the only key to India's impasse at the SAARC since a majority vote is what counts in a democratic framework. If done so, the 19th summit to be held in Islamabad in 2016 will be a polished platform for India to realise its dreams in the region.

Defence Modernisation

Imperatives of Urgent Indigenisation

• Vice Adm. (Retd.) Raman Puri

Self-reliance in defence production has been one of India's national goals set since the 1950's. Post 1971, it was quantified as reversing the ratio of indigenous production to imports, which was in the ratio of 30:70 to 70:30. However, on the ground, the situation has not changed. On the contrary, after more than 40 years, the level of imports has only increased. There are many causes for the present situation and in the order of their significance, these are:

A very incorrect approach to Acquisition Planning which is not tuned to meeting future challenges. Modernisation by definition should be a process of creating military wherewithal to prevail at the locust of engagements (which may be virtual in future) foreseen on a rolling basis over the next decade (at the least) and possibly two decades in many cases in a country like India with a complex geopolitical situation at hand and with very limited access to advanced technologies. To achieve this, we need a Force Development Strategy based on defence planning guidelines. Such guidelines should be based on the national security strategy which defines the roles and missions of the armed forces in a future timeframe. The current system, as codified in the long-term perspective plan bases the modernisation needs on the Raksha Mantri's ops directive which only visualises current contingencies.

The above leads to a very faulty acquisition system tuned largely to covering the current voids, and necessarily results in procurements, especially in the case of the army, which

'Except for one to one replacement of imported spares and aggregates, whose manufacturing technology is transferred, no other indigenisation by and large is taking place. Indigenisation, which gives us a design to build capability, is possible only in systems developed domestically. The Navy, with its integral design capability, has done better though in the crucial requirement of combat and main propulsion systems, its indigenous quotient is average to poor.'

are termed as urgent operational and inescapable requirements or requirements that are needed to make up force levels approved decades ago. The Government is then coerced into a buy/ buy and make route which cannot lead to meaningful indigenisation and self-reliance and even covering the current voids for reasons explained below. Except for one to one replacement of imported spares and aggregates, whose manufacturing technology is transferred, no other indigenisation by and large takes place. Indigenisation, which gives us a design to build capability, is possible only in systems developed domestically. The Navy, with its integral design capability, has done better though in the crucial requirement of combat and main propulsion systems, its indigenous quotient is average to poor.

Substantial procurement lead times exist for foreign production Buy/Buy and Make/Make even with JV programmes. Our experience is



that the start of delivery can take six to eight years and more. Also while this system designed to fill the existing voids carries on, new voids end to emerge.

As regards indigenisation, it may be mentioned that by definition it is a process of converting raw materials into equipment and systems acceptable to the user. Joint venture agreements with a production agency essentially result in licensed production and cannot meet the goals of indigenisation. That is because the design technology is not transferred and it is very difficult to transfer it

anyway, because the process of technology development remains opaque.

The systems and production technologies will be governed further by the Wasenaar Arrangement (WA) and export control regimes, so that critical sub-systems and aggregates continue to be OEM supply. This is so for example in the case of

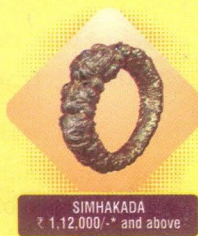
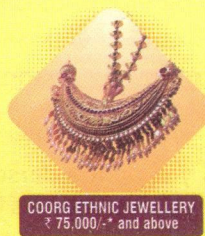
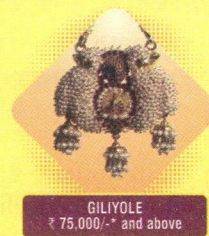
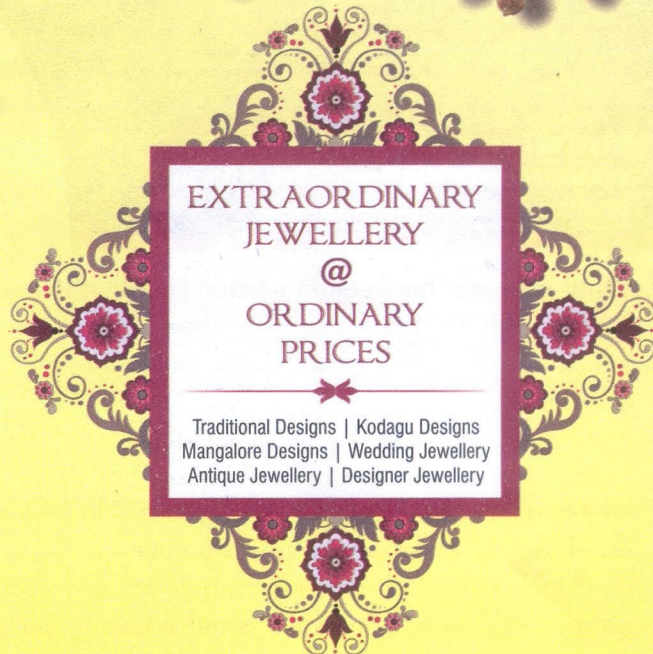


SU 30, 4phase TOT. Enhanced FDI or otherwise will not substantially alter this situation.

Finally, transfer of technology based on licensed production even with joint ventures results in a "built to prints" capability which implies that a system in production elsewhere is produced in India through transfer of production drawings and software programmes. The design and development aspects remain opaque. This is very different for the prototype-to-production capability required of the industry when producing indigenously developed systems. There are some exceptions like Bharat Electronics, but largely industry in India is tuned to licensed production. It can be said that excessive dependence on licensed production has degraded the industry's capability to produce indigenously developed systems.

No doubt, considerable technology base has been established in the country, including the private sector. IGMDP (Missiles Systems), LCA, MBT, ATV Lakshya, naval projects and others have matured. It is this base that can now deliver results in many areas in five to ten years. In the meantime, many structural and process changes will be required and projects related to mission needs will have to be approved within this time frame, depending on the technology readiness in the country. These are, however, worth trying if we are to have a self-reliant and affordable armed force that underpins our foreign and internal policy objectives with confidence.

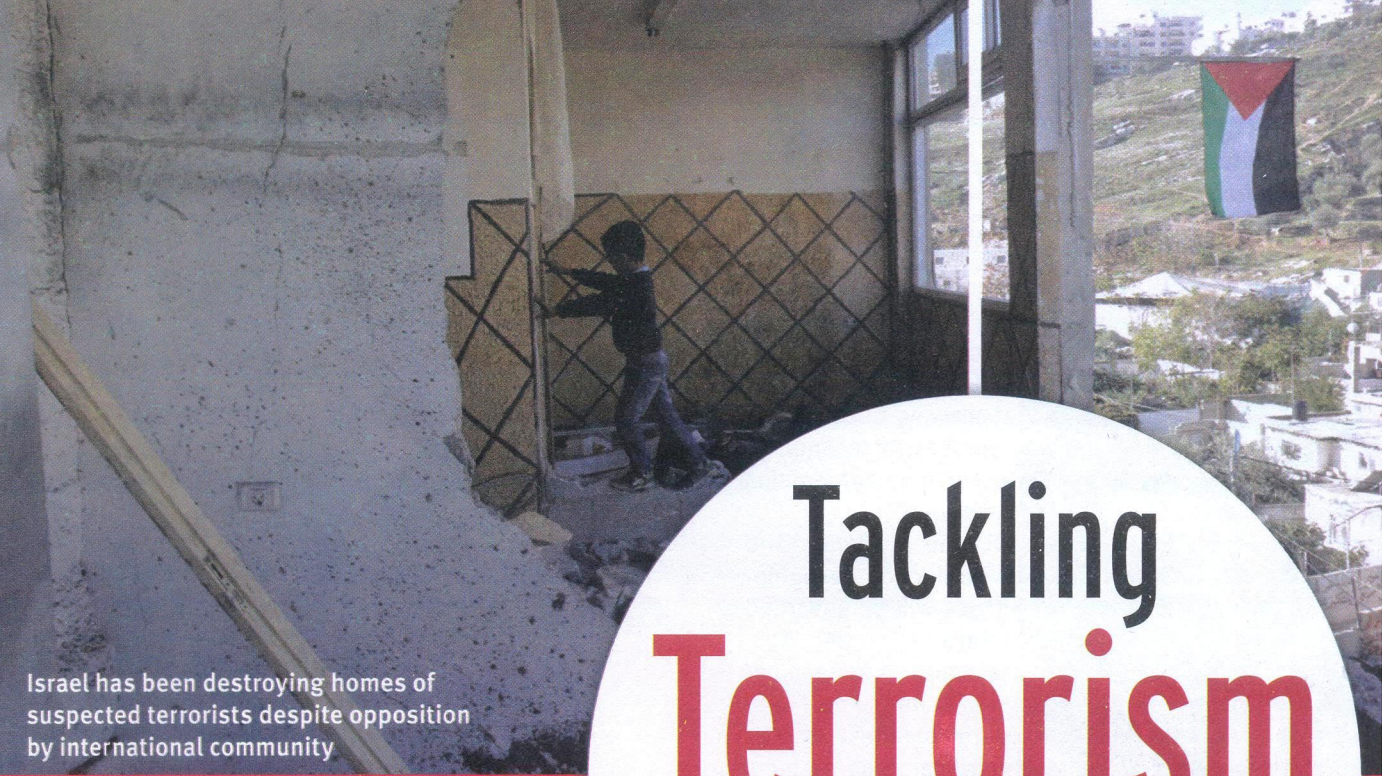
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Israel has been destroying homes of suspected terrorists despite opposition by international community

Tackling Terrorism

India can take a leaf out of Israel

What is similar between India and Israel? Culture? No, it's terrorism, which has been wreaking havoc in both countries. But there is a difference. In Israel it is rooted essentially on religion – Jews vs Muslim – but here in India, it has a number of social issues, besides of course religion as its underlying causes. Naxalites and Maoists, for example, are promoting their political causes and north-east rebels are promoting their narrow self-interest. But while Israel staunchly believes in “An eye for an eye and a tooth for a tooth” policy, India's counterterrorism policy is riddled with loopholes that leave room for the perpetrators of crime to escape from the clutches of law or to circumvent it. But India can definitely learn a few lessons from that terror-ravaged country.

What would you do if a person – a terrorist -- attacks your country and kills hundreds of innocent people? What would be your strategy against him who kills everyone in his path and leaves thousands of people homeless? In a world where an eye for an eye is long accepted as a justifiable move, the answer is obvious and it won't be surprising. But what is causing concern is that now governments of various nations are adopting this much-maligned policy.

Israel is among those nations ravaged by terrorism and the so-called holy war by Muslim fundamentalists. Ever since its formation, Israel has been engaged in fighting with its Muslim neighbours who are hell-bent on wiping out that country from the face of the earth. Israel being in

such an unenviable position, its policy against terrorism has always been a subject of interest for international security experts. The country claims that it has a zero tolerance policy against terrorism; and more often than not, it means business.

In November 2014, terrorists attacked a Jerusalem synagogue and killed four Jewish worshippers and a police officer. In retaliation, the Israeli forces razed the home of a man who had carried out a deadly car attack in Israel in October 2014.

By doing so, Israel was continuing its long tradition of razing the homes of both suspected and confirmed terrorists. The law makers in Israel believe that this policy enforced by the government would act as a deterrent to

terrorists and make them think twice before carrying out their acts of destruction. In fact, Israel's counterterrorism policy of razing the houses of suspected terrorists dates back to 1945, when the British government passed an emergency regulation in pre-state Palestine. According to that policy, the British military could confiscate and destroy any house used to store a weapon, or any home used by a person who violated the military law.

While at the outset, this policy looks vindictive, it has many loopholes. First, it would be wrong to assume that all the family members of terrorists are involved in terrorism. If a government starts punishing innocent people for crimes committed by others, what difference is their between the terrorists and the government? Also, terrorists are hardcore militants and they usually do not worry about the well being of their family members. So razing their homes and making them homeless may not be a good idea after all.

More often than not, terrorism starts when someone, usually a community, has a grudge against another community or a nation or a government. Such acts by the government to force the people out of their homes just because they are related to a suspected terrorist only deepens the hatred of that community against the government. This may in turn make more people from that community take up to terrorism.

Between 2001 and 2005, Israel has demolished more than 650 Palestinian homes. The policy was discontinued after an army committee determined that razing homes not only failed to deter attacks, but also stoked Palestinian hatred of Israel. Although Israeli law grants permission for house demolition, Israel has had to face widespread international condemnation for such acts against terror. But Israeli Prime Minister Benjamin Netanyahu has no plans to discontinue his drive. He said in a statement given to The Atlantic, "We have nothing against the residents of

Terrorism in India

Like Israel, India has seen terrorism from close quarters, and has suffered a lot. In fact, India has been a victim of terrorism since its birth as its neighbour Pakistan kept on harboring and encouraging terrorists all the time. Terrorism found in India includes ethno-nationalist terrorism, religious terrorism, left wing terrorism and narco terrorism.

India is often plagued by terrorist activities in various parts of the country, such as Jammu and Kashmir, east-central and south-central India (Naxalism) and the Seven Sister States. More than 1000 people have lost their lives, and properties worth thousands of crores have been destroyed in various terror attacks until now.

The latest confirmed terror attacks in India came in May 2014 with the explosion of two low-intensity bombs in the early hours of May 1, 2014 in a Guwahati-bound train from Bangalore arriving at the Chennai Central railway station, killing one woman passenger and injuring at least 14 others.

eastern Jerusalem but we will not tolerate attacks on our citizens and we will act against those who do these things and against those engaged in incitement."

Like Israel, India is among the highly affected, "terror torn," countries in the world. But the country's response to the terror attacks on its soil and its people has been knee-jerk reactions. Unlike the US or Israel, India has no elaborate counterterrorism policy in place. While counterterrorism forces do investigate terror attacks, the laws that are introduced to curb terrorism are usually mired in controversies. For example, in 2002 India passed the Prevention of Terrorism Act (POTA), expanding the government's powers to combat terrorism. Some measures, such as the ability to keep terror suspects in custody without bringing them to trial, met with objections, and the law was repealed in 2004 after allegations that officials were abusing their powers.

The government set up the National Counter-Terrorism Centre (NCTC) after the Mumbai terror attacks and the Cabinet Committee on Security (CCS) had also given its approval for its establishment. But the chief ministers of various states have stopped this organisation from functioning, claim-

ing that it will undermine the federal structure of India's Constitution and that it must not be placed under the Intelligence Bureau (IB).

The NCTC is envisaged as an umbrella organisation that would exercise control over agencies like the National Investigation Agency (NIA), the National Technical Research Organisation (NTRO), the Joint Intelligence Committee (JIC), the National Crime Records Bureau (NCRB) and the National Security Guard (NSG). According to the latest proposal, the NCTC will be placed under the IB and the existing Multi-Agency centre (MAC) will be subsumed in it. India's response to the November 2008 Mumbai terror attacks was slow, laborious and poorly coordinated among the Central and the State governments and their various agencies. Coastal security was virtually non-existent.

Israel's model of razing homes may not be a good idea in a democratic setup like India. But India can take a leaf out of Israel's counterterrorism book. Our response to terrorism has been meek and this only encourages more terrorist acts. It's time the Narendra Modi government formulates a comprehensive strategy to fight terrorism, which is both consistent and tough on terrorists.

India and Russia

President Putin's Visit Boosts Ties

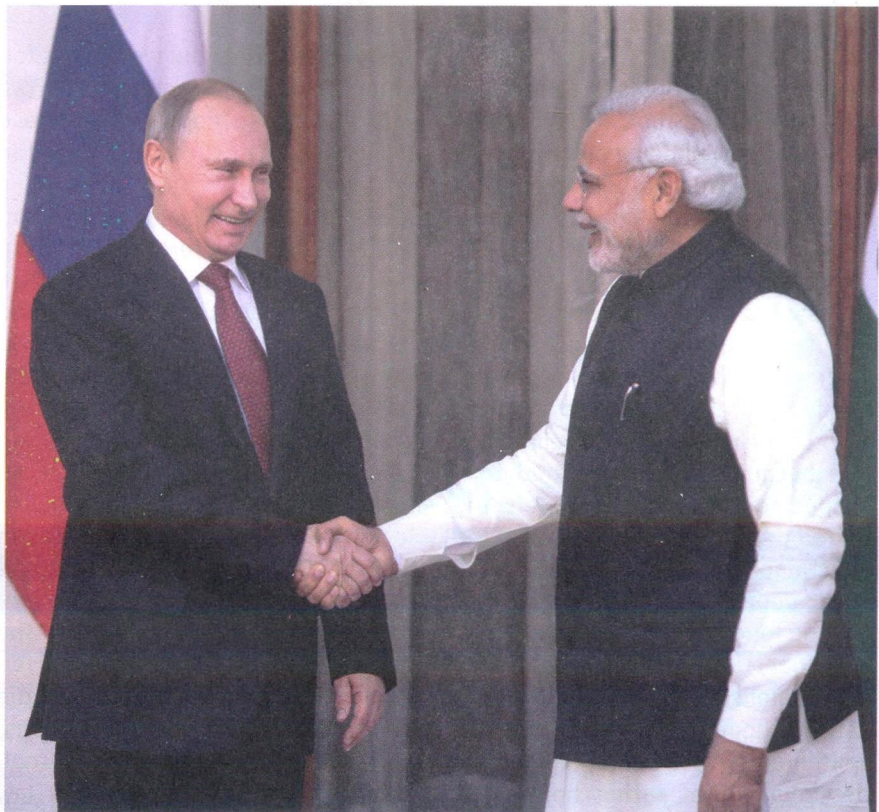
'Russian President Putin was the one who formulated the strategic partnership with India in the year 2000. He has contributed greatly in maintaining this partnership. Putin has always appreciated the long-standing friendship between the two countries and also appreciated the fact that, unlike the West, India never thought of letting down Russia when it is in a difficult situation.'

• Dr Nivedita Das Kundu

The India-Russia strategic partnership was formed in the year 2000. Russia was the first country with whom India established strategic partnership and in the year 2010 during the 11th Summit, India and Russia elevated their relationship to a "Special and Privileged Strategic Partnership" status, indicating a mutual desire to emphasise the exceptional closeness of ties. In today's complicated and fast changing geopolitical situation, both countries have wisely diversified their foreign policy options, yet have been careful not to abandon a mutually beneficial partnership of trust built up over decades between them.

Russian President Vladimir Putin's visit to India on 11th December, 2014, was an extremely significant event as far as India-Russia relationship is concerned. This was the first visit of President Putin to New Delhi after formation of the new government in India under the leadership of Prime Minister Narendra Modi.

The bilateral summit between India and Russia takes place every year alternatively in Moscow and New Delhi. This summit was the 15th annual bilateral summit between the two



countries. During the summit, there were full-fledged discussions on various issues and concerns related to India-Russia bilateral relationship. The leaders of the two countries discussed and signed a number of important bilateral agreements, reviewed the entire range of India-Russia bilateral ties and also laid down a broad agenda to be followed for the

coming year for strengthening the strategic partnership.

HISTORICAL CONNECTIONS

The deep roots of India-Russia relationship go back to the early 20th century when India was under British rule and the Czars ruled Russia. The Russian Revolution of 1905 inspired

several Indian freedom fighters and many had established personal contacts with the Soviet leaders. Following the 1917 Bolshevik Revolution, the Soviet leaders understood that their revolution stood better chance of success and encouraged India to become free and independent. It was India's first Prime Minister Jawaharlal Nehru who laid the foundation of the policy of closeness towards the Soviet Union.

Nehru's faith in the Soviet Union was immense. The Soviet Union consistently gave India valuable political, diplomatic and strategic support bilaterally as well as at international fora. India received Soviet diplomatic backing and material support and the confidence provided by the Indo-Soviet Treaty of Peace, Friendship and Cooperation. Beginning 1950s, India received from the Soviet Union generous assistance for its industrialisation process as well as support in the areas of defence, space and atomic energy. Some of today's globally competitive public sector companies in India such as Bharat Heavy Electrical limited (BHEL), Oil and Natural Gas Corporation (ONGC) and Hindustan Aeronautics Limited (HAL), as well as the steel industry in India, were set up with Soviet support and co-operation. The first Indian Institute of Technology was set up in Mumbai with Soviet support.

CONTEMPORARY RELATIONSHIP

Today, India-Russia relationship has many positive dimensions to lend fresh impetus to their cooperation and friendship in various sectors. Co-operation in the defence sector is still the strongest link. Even today, around 50% of the defence equipment used by the Indian defence forces is of Russian origin. India and Russia have similar views on many international developments.

However, the weakest link in Indo-Russian cooperation remains trade and economic ties. The trade between the two countries is extremely low at around US \$10 billion. Both sides,

have expressed their desire to raise it up to US \$20 billion. It is expected that as soon as the International North South Corridor (INSTC) starts operating, the time limit and costs of the consignments passing and reaching the destination would be drastically reduced. India and Russia have also been trying to engage with each other through the Comprehensive Economic Partnership Agreement (CEPA). India is also keen to get connected with the Eurasian Customs Union of Russia, Belarus and Kazakhstan. Indo-Russian co-operation can be boosted even further if people-to-people contact can be increased and cultural as well as educational linkages are enhanced.

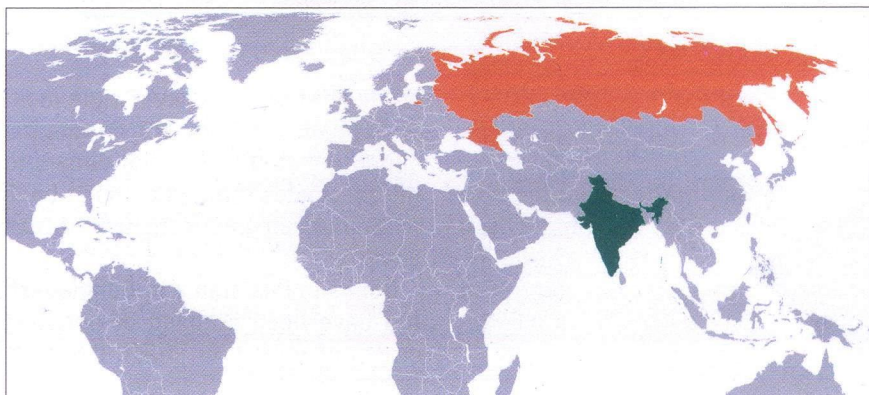
DISCOURSE

As far as the discourse in India in this regard is concerned, there are two

ship between the two countries and also appreciated the fact that, unlike the West, India never thought of letting down Russia when it is in a difficult situation.

THE WAY AHEAD

The two sides came up with revised targets for boosting the relationship further during the summit, which brought new ideas that were in line with Prime Minister Modi's foreign policy priorities of bringing economic benefit to the country by involving Russia also in his 'Make in India' campaign. The Russian side has agreed to make "civil and light aircraft in India". 'Sistema', a Russian company, has expressed an interest in partnering for building smart cities in India. Fields such as high-end computing, launching of telecommunication satellites on low cost platforms are ar-



schools of thought; one feels that the relationship with Russia is significant for India, while the other feels that when Russia is expanding its relationship with countries like China and Pakistan, India should not shy away from developing its ties with the United States. However, the consensus on one aspect among these two groups is that Russia is indeed a great partner of India and that needs to be maintained.

For India, Putin was the one who formulated the strategic partnership with India in the year 2000. He has contributed greatly in maintaining this partnership. Putin has always appreciated the long-standing friend-

ship where the two countries are now thinking of working together. Both India and Russia are now trying to build direct contacts with the entire spectrum of stakeholders and interest groups in the political, economic, military and other spheres.

The summit was a reflection of how India and Russia continue to value each other's steadfast friendship. It has been observed that India-Russia co-operation and friendship remains unaffected by any global developments. This 15th Annual Summit has further strengthened the framework for cooperation between Russia and India.

(The author is a Foreign Policy Analyst)

Sharia Banks

How they Fund Terrorists



India is making way for Islamic Sharia banks despite the fact that they failed in their own Arab countries where the system took birth 40 years ago. Around the world, Sharia banks have been accused of donating money to terrorists. The madarsas, the Islamic religious schools, are heavily dependent on donations made by these banks. Donation is the key component of Sharia banks. But we do really need them?

• Narayan Ammachchi

State Bank of India is about to launch an equity fund based on Islamic banking system, or Sharia banking. The equity fund comes on the heels of a Sharia financial firm founded in Kerala recently.

What makes the Sharia bank a standout is that it prohibits charging interest on both loans and deposits, and encourages depositors and financial institutions to donate money to the needy. Except for these differences, Islamic banks look similar to conventional banks. Sometimes, they also look like a venture capital fund.

Charity, which the Islamic banks are obliged to make to comply with the Sharia, is the biggest drawback of the system, particularly at a time when the world is grappling with the rise of Islamic terrorism.

Sharia banks donating money to madarsas or people acting as conduits to terrorist organisations is common in the Arab world.

Many Islamic banks are under fire

today not because they donate money to jihadi sympathisers. Osama Bin Laden donated millions of dollars to his associates through a Sharia bank in Sudan, an impoverished African country.

Banks in Pakistan and Bangladesh too have been accused of donating crores of rupees to jihadi. Donation is the most important underlying aspect of Sharia banks based on the Sharia Islamic law.

Another aspect is that it is based on cultural belief rather than practical problem-solving motives. A Sharia bank does not invest in anything that is unlawful under the Sharia law. For example, it won't lend to firms involved in manufacturing or marketing liquor or pork.

SHARIA BANKS IN INDIA

These days there has been a growing demand for amending the country's banking laws to make way for Sharia banks. Today, no Sharia bank can involve in consumer banking in India, because the existing banking laws re-

quire banks to levy interest on loans they lend or deposits they accept.

Some analysts say the conventional banking system has kept millions of Muslims away from banks. Citing an unnamed study, Gulf News reports there are unclaimed interest worth 500 crore rupees lying in Kerala banks alone. According to The Economic Times, India's stock exchanges have 600 to 700 companies complying with the Sharia law.

A few months ago, Kerala government-owned KSIDC started Al-Barakah Financial Services Ltd., in which many NRI Muslims have invested crores of rupees. The bank runs an Islamic reinsurance scheme and several mutual fund schemes. In addition, there is an index on the Bombay Stock Exchange representing only Sharia-compliant stocks.

In 2008, the Planning Commission, then headed by Raghuram Rajan, recommended the introduction of interest-free banking.

Aligarh Muslim University has started a postgraduate programme in Islamic banking under the steward-

Sharia Banking & Terrorism

The Sharia bank of Bangladesh has been accused of paying legal defense fees for accused terrorists. According to Khabar South Asia, a news service managed by the US Pacific Command, "corporate social responsibility" funds from Islamic Bank Bangladesh Ltd. (IBBL) are reportedly being used to pay the bills to suspects' lawyers.

Also, trials in Bangladesh have been underway for several years to seek justice for war crimes committed by Pakistan-backed Islamists against Bangladeshis in the 1970s. The Bangladesh Home Ministry has previously revealed that 8 percent of the bank's profits are diverted toward militant Islamists as a form of corporate donation.

Worse still, this Bangladesh bank was recently caught supplying counterfeit currency to its own account holders.

ship of Professor Nejat Ullah Siddiqui, one of the pioneers of the Islamic banking in the country.

At an event in Malaysia, former chief of Minority Commission Rahman Khan said India was interested in introducing funds that donate money for Islamic pilgrimage.

A SPADE IS A SPADE

What needs to be noted is that no Islamic bank that adheres to the injunctions of Sharia can be successful. Those who became successful are those who levied interest on loan behind the scenes.

In countries like Malaysia, Islamic bankers have hijacked the system to their benefit. Using the deposits, for which they have no need to pay interest, they enter into lease agreements for a car or a house with an individual. The bank would buy a vehicle outright and then lease it back to the person who wanted it.

Sometime, they enter into a partnership with a person wanting to buy a house. The bank would buy 70% of the house, the individual 30%. The bank then rents its share of the house back to the individual until the house is fully paid for.

The bank makes a profit on the rent, which would be higher than equivalent rents in the area. Analysts say this looks very much like a conventional mortgage interest rate.

Sharia banks are only 40-years old, but the conventional banks are much older.

Hawala a byproduct of Sharia banking

Hawala money transfer is in fact the byproduct of Islamic system based on trust. Run through a network of money launderers, hawala is a way of transferring money without actually moving money across borders.

Say Farooq wants Rs.1,000 to pay to his friend Ali in Pakistan. Farouq gives the money to a hawala dealer in New York. The NY dealer knows another dealer in Pakistan. Both the dealers are part of a single network, so their transfers remain balanced between the two of them over a time.

The dealer in Pakistan simply pays Rs 1,000 to Ali. Farouq has Rs1,000 less than he started with, Ali has Rs 1,000 more, and the money never went through any visible remittance system that can be tracked. Hawala originates from Islamic law, which describes how debts can be transferred to third parties.

BRINGING NATIONAL
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Plastic Money

• Narayan Ammachchi

The Special Investigative Team (SIT) set up by the Supreme Court says it found 339 Indians having stashed away Rs.4,479 crore in Swiss banks and owning property worth Rs.14,958 crore within the country.

Confiscating their properties in the country, SIT says, is the only option to force them cough up what they owe to the tax department. It has also recommended imposing Rs 10-15 lakh limit on holding and transportation of cash.

This is not something SIT discovered on its own. This is what it is saying after analysing the list of 628 Indians suspected of owning accounts with HSBC Bank in Geneva.

How this list came to India is an interesting story. Five years ago, a technology expert in HSBC stole data with account details of over a million customers. He flew to France before the bank could discover his act.

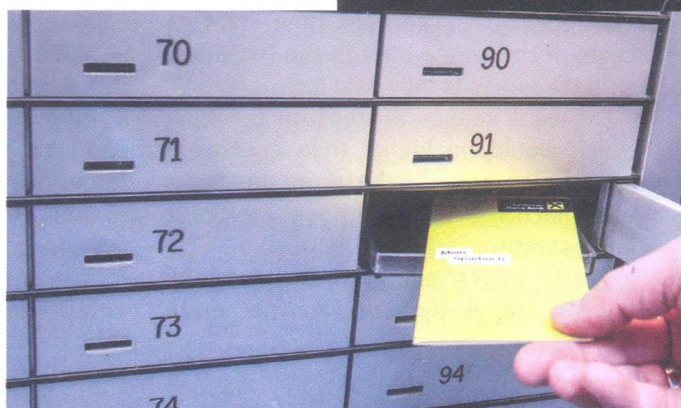
Before going into his hideout, he gave away all his data to the French government, which later made a list of Indian account holders and passed it on to India.

In an interview with NDTV some years ago, he said India was given only 2 MB of the 200 GB of data he had collected.

SIT has said that prosecution has begun against 79 entities. Of the 628 account holders, 201 are untraceable and 289 accounts are empty.

Banning cash payment for making payments of over Rs 1 lakh is among some of its recommendations. According to its report, Ponzi schemes, iron ore exports and loopholes in export-import rules are driving accumulation of black money.

An Easy Cure for Black Money and Corruption





110
111
112

If Prime Minister Modi is serious about ending corruption and black money, plastic money can come to his aid. Plastic money is nothing but the debit card you are already using. Not just corruption and black money, plastic money can also root out fake bank notes and make the governance transparent like never before.

Double Taxation Groping in the Dark

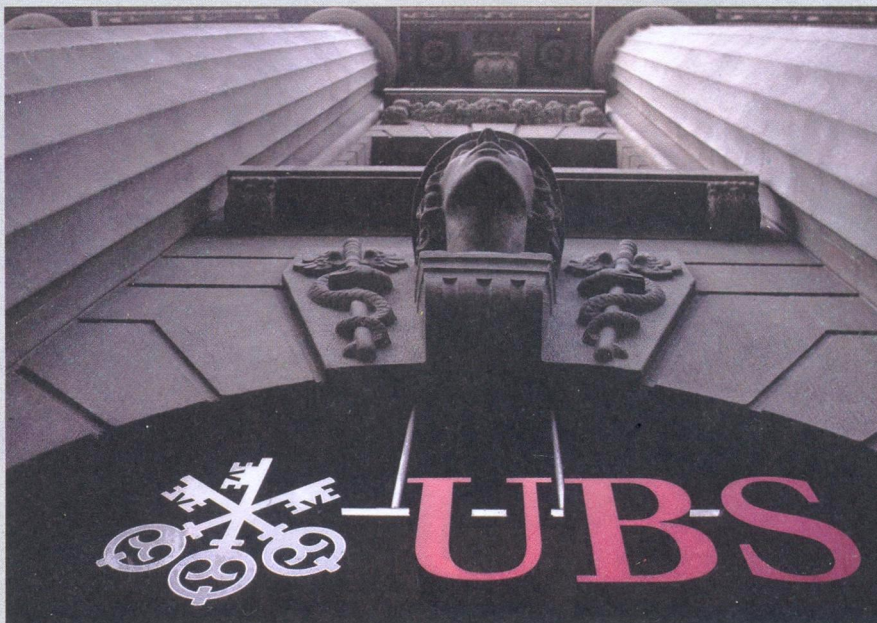


Identifying black money hoarders by signing double taxation agreements with suspected tax havens such as Switzerland is something like groping in the dark, say analysts. In August 2010, then Congress government revised the Double Taxation Avoidance Agreement with Switzerland.

This agreement helps only if India has specific information about the account holder. We have similar agreements with suspected tax havens around the world, including Gibraltar, Bahamas, Bermuda, the British Virgin Islands, the Isle of Man, the Cayman Islands, Jersey, Liberia, Monaco, Macau, Argentina, Guernsey and Bahrain.

Such agreements are a waste of time because black income is unaccounted money so you have no clear information about the hoarder. It is no wonder that none of these countries supplied India with any data whatsoever.

Worse still, such agreements make it clear that India should seek any information about account holders if its intention is to give it to court. What is the point in signing such agreements



with tax havens?

Are Indians withdrawing money from Swiss banks?

In 2006, Indian money in Swiss banks accounts stood at Rs 4,14,000 crore, but it decreased to Rs.1,40,000 crore in 2013. Meanwhile, a huge amount of gold is being imported from Switzerland. That means In-

dians could be withdrawing money from their Swiss accounts and bringing it in gold.

Mauritius and Singapore are the other tax havens. You know that 50 percent of foreign investment comes through Mauritius. Most of the foreign money invested in stock markets comes through Singapore.

When Gangs Melted Coins into Blades...

A few years ago, criminal gangs in eastern states, particularly West Bengal, hoarded all the 5 rupee coins in circulation and took them to neighbouring Bangladesh. There they melted the coins before turning them into different objects such as blades and ornaments.

Their trade proved that each five rupee coin is worth about 35 rupees! When the West Bengal reported acute shortage in coins, the central government looked awestruck. Clueless as to how to deal with the crisis, the government soon asked federal agencies to figure out the cause. A fortnight later, intelligence sleuths came

up with an answer and they sent a detailed report to the RBI. Their confidential report, later made public by the Revenue Intelligence, tells how some organised gangs amassed the coins by paying a premium of 10 to 15 percent to the ground-level collectors.

Razor and jewellery factories in Bangladesh, according to the report, were the main buyers of the metal. The report went on to say that the metal used in a one-rupee coin was enough to make four or five razor blades. RBI has since started using plain and cheap metals in coins. Cheap metal meant that criminals cannot store them for re-designing.

A sure fire cure



The debit and the credit cards that we increasingly use to purchase goods are called plastic money because they substitute paper notes or bank notes. What if the RBI withdrew all the currency notes from circulation and hand in plastic card to everyone?

This exercise may take a year or two to implement, but it is certain to put an end to black money both inside and outside the country.

To begin with, the government can ask banks to issue prepaid cards just the way telecom firms sell currency for mobile phones. The IT firms can create software to make sure that card transactions are safe and secure.

In advanced countries, a message pops up on the mobile phone of the consumer ev-

ery time he swipes his credit or debit cards. The money moves out of his account only after he approves the transaction. In the absence of mobile phones, people can use their fingerprint to approve the transaction.

Since every money transaction is recorded, there will be no chance for storing money. And even the black money holders will have to bring that money back to banks.

Not only black money, plastic money can bring to an end corruption and burglary, tax evasion and also the menace of fake notes.

More important still, the government will be able to find out illegal immigrants in the country. Remember, much of the currency notes and coins that we use today are manufactured overseas, especially in Pakistan. Printing money in a foreign country risks losing control on your own financial system.

Global Financial Registry

Dr Gabriel Zucman, a young French economist, has often stated that setting up a financial registry to record who owns what around the world is the only viable option to destroy offshore tax havens. But setting up such a registry is a far way off. It looks like a dream that can never be realized,



as it requires every country to take part voluntarily.

He says signing double taxation treaty with countries like Switzerland is a waste of time. Currently, tax havens only share information if there are well documented suspicions that an individual is trying to evade taxes. But this kind of information is almost impossible to obtain in the first place.

This is precisely why India has never been able to make Switzerland share any information about its account holders.

Our Cash is printed abroad

Until 2000, most of the coins we used were minted in mints abroad. U.S. and British money printers, such as the UK's Thomas De La Rue, made a killing by printing loads of coins for us.

Not only coins, RBI also outsourced printing of 500 and 100 rupee notes until recently. In 2010, a report from a parliamentary committee shocked everyone: Contracts worth thousands of crores of rupees were handed out to foreign companies to print millions of currency notes. This incident led the government to acquire some sophisticated presses and paper mills specifically to print bank notes, because the committee stated that printing bank notes abroad risks receiving unaccounted money and destabilising economy.

"The very thought of India's currency being printed in three different countries is alarming, because it puts our entire economic sovereignty at stake," the report added.

Worst still, terrorists can easily hijack our economy if they get access to the printing plates at the press where the currency was being printed. In other words, they can print the currency and circulate around the country just the way Abdul Karim Telgi sold stamp papers.

In 2005, 10 Rupees coins were minted for the first time. Increasing demand for change and increasing cost of printing banknotes was the reasons why RBI started issuing the coin. Remember, plastic money can bring an end to problems of this kind as well.



Swami Vivekananda

His Mission and Message for Bharat

• Dr. Ragotham Sundararajan

“Arise, Awake and Stop not Till the Goal is Reached.” With these inspiring words, more than a century ago, Swami Vivekananda exhorted the sons and daughters of Bharat to work with passion for the resurgence of the country and restore her to the ancient heights of glory. Swamiji was a spiritual giant and a social scientist combined, a true yogi following the best traditions of Bharat’s spiritual masters. His heart melted seeing the wretched conditions of his people and he worked ceaselessly for their uplift.

Born as Narendra Nath Dutta on January 12, 1863 in Kolkata, Swamiji had a remarkable upbringing wherein he combined his meditative mind and a natural inclination for spirituality with the rigor of rational enquiry to think deeply and originally about matters such as the existence of God and the nature of the Hindu mind as well the problems facing the people of Bharat and the world. He became well-versed in many subjects and mastered the tenets of Western and Eastern philosophy.

However, it was when the Swamiji met his would-be Guru Shri Ramakrishna Paramahansa in Dakshineswar during 1881-82, his life was verily transformed and the emergence of the mighty Swami Vivekananda began. Under the spiritual guidance of the Master Shri Ramakrishna, Swami Vivekananda flourished and realized his true nature and his life’s mission. Shri Ramakrishna concluded that Swami Vivekananda was destined for liberation and God-realization, but ordained that he fulfil his mission for Bharat and mankind before meeting with his destined individual liberation or Mukti.

In the words of Swamiji about his Master, “All that I am, all that the world itself will someday be, is owing to my Master, Shri Ramakrishna, who incarnated and experienced and taught this wonderful unity which underlies

It was a speech that no one in Bharat can forget: Swami Vivekananda's address to the delegates of the Parliament of Religions held in Chicago on September 11, 1893. While all the other religious leaders and thinkers addressed the august gathering in a formal manner, the Swamiji began his speech with these memorable words, "Brothers and sisters of America ..." That touched a chord among the audience and all stood up to applaud this great Sanyasin from the East. The speech underlined the unity and universality of all religions and the need for living together in harmony, far unlike what we see today: Terrorism, with all its horrible consequences that go with it – wanton butchery, rape and slaughter. It is here the Swamiji's message to Bharat and the whole world becomes relevant: Do not fight, but realize the oneness of all religions.



everything, having discovered it alike in Hinduism, in Islam, and in Christianity."

WANDERING MONK

After the passing away of Shri Ramakrishna, Swami Vivekananda travelled the length and breadth of Bharat, many a time on foot, several times during which he got first-hand experience of the situation at large and what the society in Bharat had come to. More and more he saw how the people of Bharat were getting enamoured of materialism and Western manners and customs ignoring the true spirit and principles of the Vedas and Vedanta.

He also saw the wretched condition of the poor and the illiterate and how they were living a life of abject penury and indignity. He blamed the educated and privileged sections of Bharat for neglecting and failing to uphold the tenets of her ancient spirituality while keeping the poor and the marginalised away from true knowledge and spiritual experience.

All this aroused in him a desire to

start a mission for the regeneration of Bharat based on the original ideals of spiritual knowledge and experience. During his trip to the southern tip of Bharat, in Kanyakumari, in 1893, Swamiji swam to a rock in the middle of the Indian Ocean, sat on it and meditated for a long time, during which he saw a vision of what he was to do to help Bharat regain her lost glory.

TOUR OF THE WEST

Fulfilling the wishes of his well-wishers as well as his own, Swamiji sailed to America to attend the World Parliament of Religions in Chicago held in 1893. His first address to the delegates as a representative of Hindu religion on September 11, 1893, was received with thunderous applause and thereafter he addressed the gathering a dozen times, expounding the principles of Hinduism -- the Vedas, Upanishads, Vedanta and the universality of spirituality.

Swamiji stayed abroad for many years, especially in the US and Europe, making two separate trips be-

tween the years 1893 and 1901. During these years, he gave lectures on Karma Yoga, Jnana Yoga and Raja Yoga and practical Vedanta and made several insightful observations on other religions such as Christianity and Islam.

He also came down heavily on the conversion activities of missionaries in Bharat. He faced severe criticism and opposition from orthodox groups of other religions as well as from some Hindu sects for conveying his bold and forthright views on matters spiritual and otherwise.

During these years abroad, Swamiji also got a first-hand account of the material progress achieved by the West, strides made in science and technology as well as the improved conditions of women in those societies. However, especially in his second trip abroad, Swamiji also realized the bane of the excessive materialism of the West, seeing for himself the lust for power, jealousy and vanity which were taking hold of the Western mind. He also opined that without spirituality, excessive focus on power and materialism was bound to result in



conflict and chaos, a prophecy which was proved by the two world wars that ensued later.

MISSION FOR BHARAT

Swamiji realized that until the people of Bharat lived close to their true nature, which is based on earnest focus on spirituality and studied restraint when it came to materialism, they will not face any problems. He felt that deviating from this true nature was the cause of all the ills facing our society. So he felt the need to educate the masses about the true meaning of spirituality. But he also realized that teaching spirituality to people with empty stomach was not going to fetch any results.

So he stressed the need for taking care of the material needs of the poor, serving the 'Daridra Narayan' as he put it. He came down heavily on the

exclusivist and sacrosanct attitudes of the educated and privileged classes who refused to mix and share with the masses. He also frowned upon the superstitions and social evils followed by the so-called 'Don't-touchists', saying that if this continued for another hundred years, the whole of Bharat would become a lunatic asylum.

Swamiji laid great emphasis on education, which he said was mainly about man-making. He said education should produce bold, fearless people with Kshatriya virya and Brahma Teja. He was also a great supporter of women's education and had the highest respect for the women of Bharat.

Through various organisations he helped to start, Swamiji set about his task of creating men and women who would take forward his mission of removing ignorance and poverty

in Bharat and spread the message of oneness and universality of beings as conveyed by the ancient seers of Bharat.

All the travel and incessant work took a heavy toll on Swami ji's physical condition although he was of immense physical strength combined with mental fortitude. He kept conveying to his disciples the foreboding that he was getting about his upcoming physical death. But, obsessed as he was with his mission, he continued to work despite illness and physical discomfort. Finally, knowing the end was near, he informed his disciples of the same, giving them instructions to carry his work forward. Swami Vivekananda left his physical body on July 4, 1902, leaving behind his message and legacy for others to follow and fulfil his mission.

UNFINISHED AGENDA

As we look around us today, we see that ignorance and poverty are still rampant. Blind imitation of the West and a lack of respect and understanding of our ancient knowledge and wisdom are widely prevalent especially among the educated.

It is time for the sons and daughters of Bharat to dig deep into the message of Swamiji and rededicate ourselves to his mission which is yet to reach its goal. This we can do by redoubling our efforts to remove ignorance and poverty in our society and work incessantly to become a society of brave and fearless people who are true inheritors of the glorious, universal message of harmony, oneness and perfection of all beings as enunciated by our forefathers in the Vedas and Vedanta.

We need to act upon Swamiji's message that service to man is service to God and collectively create a society free from all wants and harmonious, an example for the world to follow. This would be our best tribute and act of gratitude to the Swamiji as we commemorate the completion of 150 years since his birth on this Punyabhoomi.



The

Snow

is

Melting

Let's act NOW to stop the Himalayan Disaster

The ice is melting. The third biggest concentration of snow in the world, the Himalayas, is wilting under the pressure of constant environmental changes and is giving way. And yet the authorities concerned are doing precious little to avert the disaster.

Recently, a report was filed by the international conference on development, biodiversity and climate change, organised by the department of sociology, Government Post Graduate College, Chamba and Himachal Pradesh University, Shimla, in collaboration with the Asia Climate Education Centre, Jeju, South Korea, Inter-

national Union for Conservation and Nature, WG-05 International Sociological Association, NDMA, Government of India, and Sewa Himalayas about the worsening condition of the Himalayas. The report categorically stated that the condition at the Himalayas is bad and various countries that benefited from the great mountain ranges need to do something urgently.

The Himalayas contain the third largest body of snow on our planet after the Arctic and Antarctic regions. Naturally, when the biodiversity of such a large mountain ranges is disturbed, a lot more will be in line

along with that. The Himalayas are the source of many of the great rivers of Asia like the Ganges, the Yangtze, the Indus and the Mekong. So, if the Himalayas are under threat, it means a great source of water for a large population in Asia will also be under threat. This is a serious problem in a world which has seen too many wars on invaluable resources like water.

Not surprisingly, the major reason for severe climate changes in the Himalayas is the greed of human beings to grab all they can from the great mountain and its natural resources. The Himalayas have the highest dam density in the entire world, with more

The ice in the Himalayas is melting at an alarming pace; flash floods are becoming a recurring feature; the eco-system in the whole of Himalayan region is under serious threat – all because of human greed. Unless this trend is reversed –and reversed fast – it will bring in its wake untold disaster to thousands of people and may be to the whole world. The Government of India and all the others concerned should immediately chart a course of action to arrest this trend and save this most beautiful snow-bound region of the earth from disappearing for ever.

than a thousand water reservoirs spanning the mountain ranges in countries like India, Bhutan, Nepal and Pakistan. These projects are bringing in serious ecological and social effects causing disaster to the biodiversity of the region. This is all done for the much-sought-after hydroelectricity, which is officially claimed as cleaner and cheaper.

In Himachal Pradesh there are 41 hydel projects; 76 new ones are in the pipeline and three have been stopped due to environmental problems. These are the figures given by the state's electricity board. The environmental and social effects of the numerous dams would be huge and the number of affected people simply cannot be counted. With this, increasing tourist activities at this picturesque mountain is also causing serious climate changes. There is an ever-increasing number of trekkers, mountaineers and nature-lovers who make a beeline for the Himalayas. Their numbers have been so high that the environment's natural equilibrium is disturbed. Trees have been cut to make roads and campsites have replaced meadows – the visitation of eco-disaster is everywhere.

Millions of people depend on the Himalayas for their livelihood. When the great mountain melts, it takes down too many things along with it. The catastrophic flash floods in Uttarakhand last year are a prime example. In their eagerness to get increased tourist footfalls and become energy rich, the state governments in the Himalayan range are putting their own communities to danger. In many states like Uttarakhand, communities have been displaced from their land without any compensation or effective resettlement and rehabilitation schemes.

Scientists, geologists, social activists and voluntary organisations have called upon all governments who are benefiting from the Himalayas, and who are in a position to make a positive impact, to act NOW and save the world's most beautiful mountain ranges. While we need all the energy and tourism money we can get, we also need to remember that becoming too greedy can prove be disastrous for our good.

Uttarakhand floods prove that point all too clearly. ♦



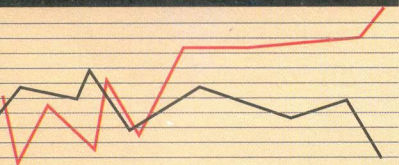
Natural resources in Himalaya are contaminated by humans

Saving the Himalayas

Like the governments of most other countries, the Indian government too has not worried too much about the ill effects of energy and tourism projects in the Himalayan range, though it has made some efforts every now and then to protect the region.

In 2010, the government launched a National Mission for saving and sustaining the Himalayan eco-system and develop carbon sinks through afforestation. It set the guidelines and best practices for sustaining the Himalayan eco-system which is shared with all states in the region. It also launched a National Action Plan on climate change in June 2008, including a Mission for Sustainable Agriculture to develop strategies to make agriculture more resilient to climate change through development of newer varieties of thermal resistant crops, new credit and insurance mechanism, better access to information and use of biotechnology.

Adding to the above measures, the government can conduct a scientific study and key areas across the Himalayas should be declared eco-sensitive zones where no infrastructure, power projects, tunnels and unscientific ways of building roads and hotels for tourism should be allowed to be constructed. In other areas, Gram Sabhas should be made the sole decision-making body to determine the usage of their land and natural resources.



Is a rate cut round the corner, now that the inflation is zero percent? This is the question uppermost in the minds of most of the corporate honchos and economists. But RBI Governor Raghuram Rajan has not given any firm assurance on this in the bi-monthly monetary policy that he announced on December 3. On the other hand, he chided the industry for the immense risk premium that is asked from the corporates. Meanwhile, there is concern about the huge revenue shortfall and the government is busy finding out ways to meet this yawning gap even as the investors are awaiting some concrete steps from the Modi government on liberalisation and reforms at the earliest.

'Cut interest rates'

Pressure mounts on Reserve Bank

Inflation based on the wholesale price index (WPI) declined to the five-year low of zero per cent in November (1.77% in October and 7.5% in the corresponding month last year), largely due to a moderate fall in food, fuel and manufacturing products prices. Crude prices are also declining enabling cheaper imports (crude oil and gold form the major chunk of our imports). The zero rate of inflation, lowest since July 2009, after its stubborn northern movement for the past several years, has again prompted India Inc. to demand a cut in interest rate by the Reserve Bank. The Finance Ministry has strongly backed their demand, but the RBI usually goes by the retail index and not the WPI to decide on interest rates.

The data released by the Commerce and Industry Ministry on Monday, December 15, have surprised many observers. Some of them said that the data are not that encouraging since it could lead to deflation indicating weak demand and sluggishness in the economy. Said Pronob Sen, chairman of the National Statistics Com-

mission, "Inflation has fallen too far. What matters is that manufacturing and manufacturing inflation below 3% points to deflation. It is not very good."

But the industry does not seem to be worried about it. Ajay S Shriram, president of CII's industry lobby, said that this (zero inflation) should induce RBI to rethink its cautious monetary stance and urgently move towards a growth-propelling monetary policy. "RBI should not wait till the next monetary policy announcement; it must reduce the interest rate substantially as industrial production is in the red and investment and consumption demand is yet to show visible sights of a pick-up," he said.

KEY RATES KEPT UNCHANGED

Despite industry's vociferous demand, RBI Governor Raghuram Rajan kept the key interest rates

unchanged in the bank's fifth bi-monthly policy announced on Tuesday, December 3, hinting at lowering the rate early next year adding that

the success of ongoing government actions in removing infrastructural bottlenecks will be key to reviving growth.

Under the policy, the apex bank will keep the repo rate unchanged at 8.0 % and keep the cash reserve ratio (CRR) unchanged at 4%. It will continue to provide liquidity under overnight repos at 0.25 per cent and liquidity under 7-day and 14-day term repos of up to 0.75 per cent of NDTL of the banking system through auctions; and continue with daily one-day term repos and reverse repos to smooth liquidity.

Rajan said in his policy statement: "Retail inflation, as measured by the consumer price index (CPI), has decelerated sharply since the fourth bi-monthly statement of September. This reflects, to some extent, transitory factors such as favourable base effects and the usual softening of fruits and vegetable prices that occurs at this time of the year. On the other hand, protein-rich items such as milk and pulses continue to experience upside pressures, reflecting



structural mismatches in supply and demand. The absence of adequate administered price revisions in inputs like electricity has contributed to the easing of inflation in the fuel group.” The policy that kept the key rates unchanged justifies the findings of a poll survey conducted by Reuters a couple of days before in which only four out of 45 economists polled said that they expected the central bank to cut rates.

The governor said that corporates should not blame the RBI for the high interest rates charged on projects. “The immense risk premium that is asked from certain corporates is because of the state of their leverage, because of the risks they have taken and because of their inability or unwillingness to repay. It should not be attributed to RBI. What we control is the risk free rate, what they control is the risk premium over that.”

HUGE REVENUE SHORTFALL

The government fears a potential revenue shortfall of over Rs.1 lakh crore this fiscal year and in order to maintain the fiscal deficit target of 4.1% of gross domestic product (GDP) it may

resort to some drastic expenditure cuts. This is indicated in the 143-page Mid-Year Economic Analysis tabled in Parliament on Friday, December 19.

Chief economic adviser Arvind Subramanian told a press conference after the document was submitted to Parliament: “To revive growth going forward, public investment may have to play a greater role to complement and crowd-in private investment... Consideration should be given to pursuing counter-structural fiscal policy as a way of reviving growth and to finding the fiscal space to finance such investment.”

Subramanian, who joined Finance Minister Arun Jaitley’s team a few months ago, suggested more public investment which will result in capacity addition in sectors such as power and roads. As for resources, he said that would come through better expenditure management, higher revenue mop-up or even through more borrowings from the market. He also suggested a review of the UPA’s public-private partnership model to run infrastructure projects.

The report also hinted at a review of all the spending, revenue and deficit targets that the government had set

earlier. It is unlikely that the government will stay within a fiscal deficit zone of 3%, the target set during UPA’s regime. Subramanian’s suggestions would mean reworking the strategy, at least in the short- to medium term as growth has been slow to pick up. The statement also comes at a time when the 14th Finance Commission, which has submitted its report, is looking at the Fiscal Responsibility and Budget Management law and the targets.

SURGE IN FOREIGN FUNDS INFLOW

With the fall in oil prices, and inflation touching zero, the stock market has been agog with excitement. There has been a huge flow of overseas funds (over Rs 14,000 crore this month so far), taking the total inflow into the capital market to a staggering Rs 2.6 lakh crore this year.

According to reliable sources and latest data, net investment by foreign investors into equities stood at Rs 3,430 crore during December 1-19, while total inflows in the debt market during the same period were Rs 10,808 crore, taking the total to Rs 14,239 crore (\$2.3 billion).

Market analysts maintain that FII or foreign institutional investors, or Foreign Portfolio Investors, have been betting on the Indian markets, mainly on account of the reforms agenda of the Modi government which is yet to take off in full swing. Foreign investors are also moving funds into debt market in order to take advantage of the higher yields.

Ladderup Wealth Management’s Managing Director Raghvendra Nath said: “Most foreign investors are finding India a far better choice that can generate returns in both short and long term”.

CURRENT ACCOUNT DEFICIT WIDENS

On the foreign trade front, India’s current account deficit (CAD) widened to \$10.1 billion or 2.1% of gross domestic product (GDP) in the second quarter

of the current fiscal from \$5.2 billion or 1.2% of GDP in the year-ago-period. This is attributed partly to a boost in imports and sluggish growth. CAD stood at \$7.8 billion or 1.7% of GDP in the April-June quarter.

But the balance of payments (BOP) stood at a surplus of \$6.9 billion in the second quarter this year thanks to good portfolio inflows, though it was lower than \$11.2 billion in the previous quarter when net portfolio inflows stood at \$12.4 billion and the merchandise trade deficit was narrower than the Q2 figure of \$38.6 billion, at \$34.6 billion.

According to RBI's latest data, the BOP stood at a surplus for the fourth consecutive quarter in the second quarter of the current financial year.

"The current account deficit could have been much worse had crude oil



prices not cooled off. We need to finance current account deficit through export of goods and services and capital flows which are more permanent in nature than the short term capital flows, depending on which is risky," Abheek Barua, consultant at Icrier, said, while Rupa Rege Nitsure, chief economist at Bank of Baroda, forecast an increase in gold imports that might widen the deficit.

Bankers do not see much impact on the currency. "The CAD has shown a marginal rise and it was largely expected. There is unlikely to be any impact on the rupee," said Ananth Narayan G, regional head of financial markets, South Asia, at Standard Chartered Bank.

Even as foreign investors turned bullish on Indian debt markets, non-resident Indians reduced their dollar investments into bank deposits owing to a cut in interest rates. NRI deposit flows fell to \$4.1 billion in July-September from \$8.2 billion the same period last year. NRI remittances are also likely to see a fall because of the fall in international crude prices since those NRIs who are working in oil exporting countries, especially the Middle East, might find their income substantially reduced.

Horses and rhinos lived in India 54.5 mn. years ago, research says

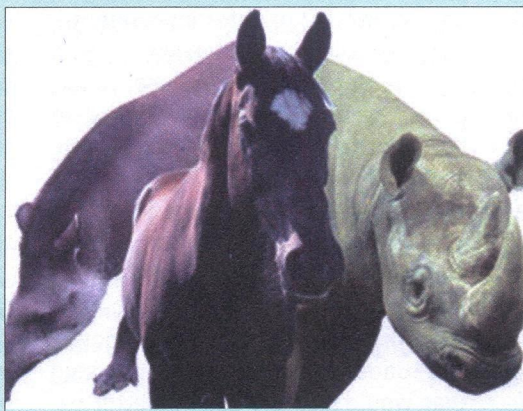
Fossil find reveals an ancient relative of horses and rhinos lived 54.5 million years ago in India. Experts have uncovered a fossil from this creature that lived 54.5 million years ago in what is now India.

Modern horses, rhinos and tapirs belong to a biological group, or order, called Perissodactyla. Also known as 'odd-toed ungulates,' animals in the order have, as their name implies, an uneven number of toes on their hind feet and a distinctive digestive system.

Working at the edge of a coal mine in India, a team of Johns Hopkins researchers and colleagues has filled in a major gap in science's understanding of the evolution of a group of animals that includes horses and rhinos. That group likely originated on the subcontinent when it was still an island and headed swiftly for collision with Asia, the researchers have reported in the November 20 online journal *Nature Communications*.

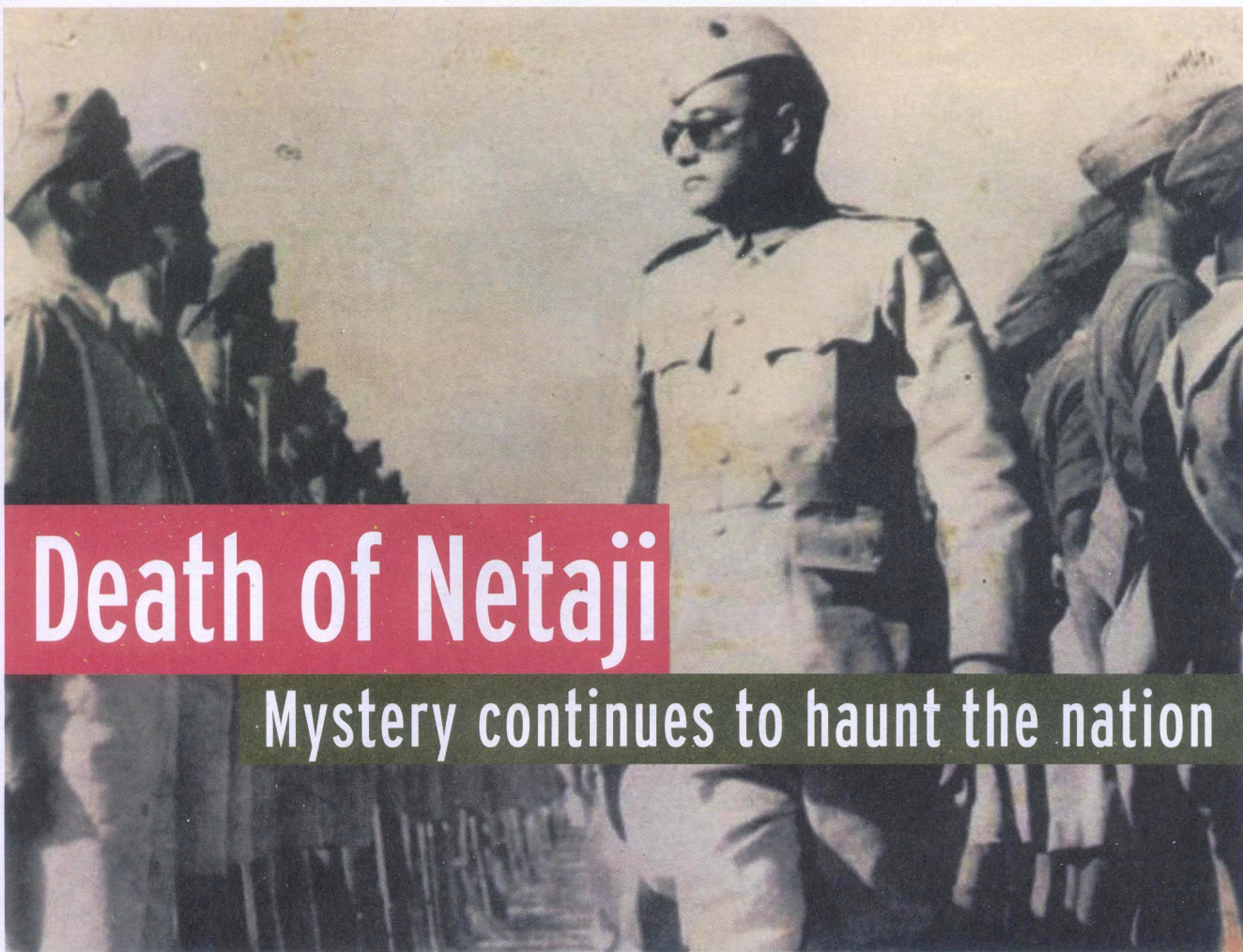
'Many of *Cambaytherium*'s features like the teeth, the number of sacral vertebrae and the bones of the hands and feet are intermediate between *Perissodactyla* and more primitive animals," the researchers say. 'This is

the closest thing we've found to a common ancestor of the *Perissodactyla* order." An open-pit coal mine north-east of Mumbai yielded what Rose, one of the researchers, says was a treasure trove of teeth and bones, with more than 200 fossils turned out to belong to an animal dubbed *Cambaytherium Thewissi*, about which little is known.



The British colonial rulers created a false theory under the study of Max Müller and his associates that Aryans migrated from Central Asia to India on horse back. The cornerstone of this theory was that horses are alien to the Indian subcontinent and are native of Central Asia. The new findings prove that this theory is false. At that time itself, the great scholars like Dayananda Saraswathi, Arbindo Ghosh,

BG Tilak and Swami Vivekananda opposed this rootless theory of Aryan migration vehemently. Still our political leaders of the era continued to cling to this theory. Sixty-seven years after Independence, we still teach our children the same baseless theory. It's high time we taught our children our true roots with pride.



Death of Netaji

Mystery continues to haunt the nation

Sixty-nine years after his death, the mystery surrounding Netaji Subhash Chandra Bose's death still continues to haunt his countrymen and followers all over the world. His death is immersed in too much secrecy, and each government in the country has only managed to deepen the shadow of secrecy around his death.

The controversy erupted again recently when the BJP government released some files relating to Netaji's death. BJP, which has been vociferously demanding the release of top secret files related to his death earlier, has now taken a U-turn expressing its inability to release the files in full.

The Government of India, at the time of Subhas Chandra Bose's death stated that it occurred from third-degree burns he suffered on August 18, 1945, in an air crash. It was reported that the overloaded Japanese plane

in which he was travelling crashed in Japanese-occupied Formosa (now Taiwan). But many among his followers, especially those in Bengal, refused to believe this theory at the time.

Since then, conspiracy theories have surfaced, keeping alive various martial myths about Bose. The Government of India has, since independence at various times, instituted three commissions of inquiry. Of these, two supported the claims of death in the air crash, while the last rejected such claims.

The government has ruled out publicising the documents related to Netaji's death citing national security issues. This has only deepened the mystery, making one wonder what is in those files that harms national security if disclosed to the public.

In 2012, author Anuj Dhar released a book titled "India's Biggest Cover-up". Dhar has written his book based

on various security documents. While conducting his research for the book, Dhar carried out voluminous researches and contacted governments from various countries. When he contacted the Taiwan government, it ruled out the alleged air crash which supposedly killed Bose. When a Supreme Court judge was appointed to investigate the mysteries surrounding Bose's death, he too ruled out the possibility of an air crash.

Dhar claims that Bose escaped to Russia in search of a new ally. Over the years, many people investigating the death of Netaji have supported this theory. But the governments have been silent on this issue, adding more fuel to the fire.

Over the years, there have been various attempts to declassify the files. Public interest litigations have been filed and even the National Advisory Council (NAC) has been forced

to issue clarifications, stating that it had no role to play in the secrecy surrounding Netaji's files.

Almost all the governments have been adamant in their stand about not releasing them. In 2007, the Central Information Commission ordered the government to release the files. But the Ministry of Home Affairs refused to disclose all the documents pertaining to the Shah Nawaz Committee (1956) and the G D Khosla Commission (1970-74), which investigated the mysterious disappearance of Netaji. The government stated that it would lead to "serious law and order problem in the country, especially in West Bengal."

After the fall of the Soviet empire in 1991, Asiatic Society scholars visiting Moscow came across information that convinced them that records about Bose were available in the security and intelligence related archives in that country. Researchers, led by Dr Purabi Roy of Kolkata's Jadavpur University, later alleged that the government was not keen to help them access the archives to ferret out the information concerned.

The government may have reasons to believe that declassifying files on Netaji's death may compromise national integrity and jeopardize its relationships with other nations. But a government's duty is to its citizens before any foreign country. The people of Indian would like to know what actually happened to one of the favorite sons of India.



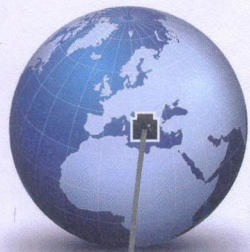
How did Netaji Subhas Bose die? Did he die in an air crash or due to some other reasons? Or did he meet with an unnatural death at all? These are the questions that are still tugging at the hearts of the people of India who loved and still love him most for his valorous stand against British imperialism and his inspiring adventures to free the motherland from the clutches of colonialism. The governments at various times ordered a number of inquiries but none of their full reports have seen the light of day "for national security reasons." The result? The mystery of Netaji's death only deepens...

The Saintly Angle

On September 16, 1985, in an old house in Faizabad, formerly the capital of Oudh, a reclusive holy man known as Bhagwanji or Gumnam Baba (the 'Saint with No Name') died. Locals had long suspected that he was none other than Subhas Chandra Bose.

According to them, Netaji was helped by his Japanese allies to fake his death, reached Russia and returned to India many years later to lead the secret life of a saint. Surprisingly for a poor sadhu (mystic), the 'Saint with No Name' left behind many trunks of possessions and in 1986, realising that these might solve the mystery once and for all, Bose's niece Lalita obtained a High Court order for an inventory to be made of their contents. Among the 2,673 items indexed, Lalita claimed she saw letters

in her uncle's handwriting and family photographs. Gumnam Baba's belongings were re-packed in 23 boxes and sent to the District Treasury. There had been at least four known occasions when Bhagwanji reportedly claimed he was Netaji Subhas Chandra Bose himself. Handwriting analysis expert and former Additional Director of the National Institute of Criminology and Forensic Science Dr B. Lal deposed before the Justice Mukherjee Commission of Inquiry that probed the disappearance of Netaji that the handwritings of Bhagwanji and Bose did match. However, the commission did not accept the claim that Bhagwanji was Bose for want of any clinching evidence. At the same time, the commission also rejected the official view of the Indian government that Bose died in 1945.



online Onslaught

E-tailing takes everyone by surprise

It is the new "in thing" in retail trade: e-tailing. Never had the traditional retailers or customers expected or experienced such a phenomenon. Buying through internet, and that too at hefty discounts! The big shopkeepers had a 'kushy' time so long as the customers flocked in droves to their stores, picked whatever they wanted, paid the bills and left for home. But e-tailing has changed all that. Why go to the malls or shops all the way amidst heavy traffic and noise, ask the e-tailers. We are here to bring whatever you want at your doorsteps. And that has caught the fancy of the Indian public. So, the e-tail era has dawned and e-tailing is here to stay, much to the dismay of the retail traders, especially the big players.



line retail?

The devil is in the details of online growth. Flipkart, founded by former Amazon employees Sachin Bansal and Binny Bansal in 2007, had an initial investment of four lakh rupees. After just seven eventful years, the company is doing in excess of INR1,100 million in revenues. This meteoric rise has attracted other key players into the game. Amazon India has poured in INR120 billion into its expanding market, and the company claims it has crores of products in its kitty.

So how are the companies using these investments? This is where the story gets murkier and intimidating, at least for traditional retailers. Most of the investments are used to offer unbelievable discounts to lure customers. On its 'Big Billion Day,' on 6th October 2014, Flipkart offered mind numbing discounts on various products. In fact, many sellers on the website didn't know that their products were being offered at discounted prices! This attracted lots of traffic to

• Raju Shanbhag

amazon.in

It's like the scene out of a fairy tale. You wish for something, and you see that in the magic mirror in front of you. You just wish for that in your mind and your item of desire is in your laps! Now, change this scenario with a little bit of realism, throw in a little bit of modern technology, and you are staring at a billion dollar market of India's emerging online retail.

Computers are the modern day televisions, which means they are everywhere and everyone can afford them. Internet is the new must have gizmo even for those in the rural areas of the country. All this, coupled with the un-

precedented advent of smartphones, is opening up new avenues of shopping for the Indian public.

And the Indian e-commerce companies are laughing all the way to the bank.

Maybe the traditional brick and mortar retail industry has nothing to fear, as of now. Of India's INR2560 billion retail market, online retail accounts for only INR138 billion, which is a minuscule amount. So why brick and mortar retailers are afraid of on-



Online sales is big, and is getting bigger

the website, but it also created lots of unpleasant incidents.

Many of the Flipkart's customers complained that the prices of products were jacked up to show discounts on the big day. Many others doubted the validity of these discounts as many discounted products were simply not available. Flipkart's server broke down a number of times and many customers simply couldn't login to their account.

If it were a few irate customers, Flipkart could have still handled things amicably. But the company and other e-tailers like Amazon and Snapdeal came in for serious trouble when many large consumer brand companies like Samsung and Sony expressed reservations about the way discounts were being offered to customers without their consent. Many like LG even threatened to withdraw their products altogether from these online websites if they didn't stop offering unreasonable discounts on their products.

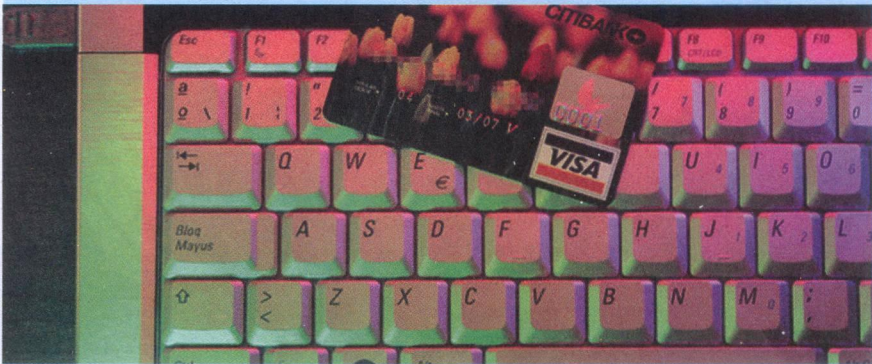
But can these companies and a fast growing group of discontented brick and mortar retailers stop the emerging invasion of online retail? The answer is an emphatic NO. If one looks at the way these businesses are structured, one understands that it's nearly impossible to contain them with the current laws. For example, none of the major online retailers like Flipkart or Amazon sell goods on their own. It's always sold by some third party vendors who are using these online platforms to sell their products. These portals take a hefty commission for providing this platform. This also explains how Amazon has been able to pour in billions of

Tips for traditional retailers

Online retail revolution has already taken over the US. But the traditional retailers are not giving up so easy. They have rediscovered their business and involved many new aspects to make it more attractive to the customers. Here are a few tips for brick and mortar retailers to counter the online threat.

Turning the store into a fulfilment centre: Retailers have more limited warehouse infrastructure for their online businesses, but may have a big advantage in many store locations nationally and even worldwide. They can remodel their stores to add direct order fulfilment and stocking in the back-office, limiting the assortments stocked on the floor.

Take the in-store experience to a different level: Retailers must focus on the experiences in their stores and digitally enable their associates to be at least as knowledgeable as the customer is about the products they sell. Shopping for fun is not dead – customers still enjoy exceptional brick-and-mortar events. When customers come into the store, reward them with a great experience – both in terms of brand and service. Equip salespeople with tablets or mobile technology that enable them to better serve customers.



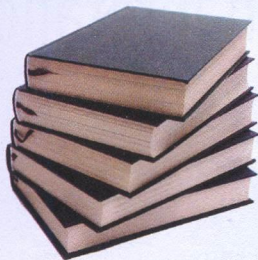
rupees of in its Indian company when FDI in Indian retail is prohibited. Even Amazon's own product, Amazon Kindle, an e-book reader, is sold through third parties. Unfortunately, the customer is once again short-changed in this entire process. They get the device but pay more for the extra layer of reselling: the Kindle that sells for Rs.7,140 on the US online store goes for Rs 9,999 on the Indian website.

Nevertheless, traditional retailers are crying foul and are asking the competition commission to intervene. But they must understand that opposing online retailing will not do them any good. A few years ago, when large shopping malls invaded the retail scenes in India, small kirana shops had started worrying about their future. But today, both small ki-

rana shops and large malls co-exist peacefully.

Similar trends are emerging when it comes to online retailing. Major brick and mortar retailers like Big Bazaar are considering foray into online business. It is also reported that many other brick and mortar retailers are either considering moving their presence online or coordinating with already established online players to reap the benefits of this modern day business venture.

And that's the right way forward. Considering Prime Minister Narendra Modi's serious intentions of making India a tech savvy country, internet-based retailing is here to stay. The traditional retailers better start coordinating with their online counterparts to stay afloat.



Sacred Plants of India

by Nanditha Krishna and M Amrithalingam

Published by Penguin

pages: 312

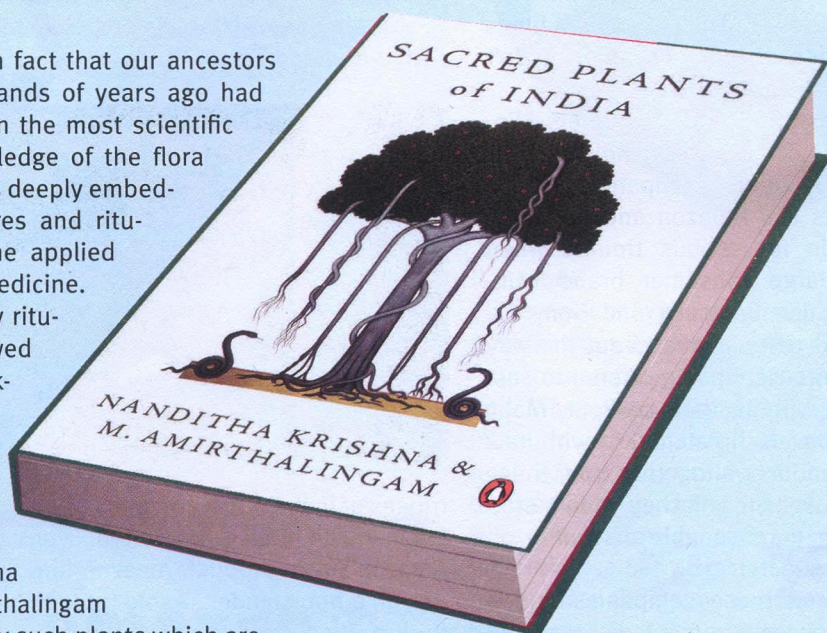
Price: Rs. 399.00

Marvellous lucidity of Puranic facts

- Beluru Sudarshana

It is a well known fact that our ancestors who lived thousands of years ago had studied botany in the most scientific manner. This knowledge of the flora and fauna of India is deeply embedded in our scriptures and rituals. Ayurveda is the applied science of plant medicine. Over the years, only rituals are being followed blindly without looking into the real principle behind worshipping the plants. The book, "Sacred Plants of India" by Nanditha Krishna and M Amrithalingam throws light on many such plants which are considered sacred by the people of India. Not only this, the book methodically disproves many Western notions about the history of India using botanical information.

It is quite refreshing that the authors, both Chennai-based environmentalists, have provided a polite and elegant imagery of plants that are worshipped across the country. The first part deals with the general history of plants in India. While providing details about the plants, the authors write: "The Aryans of the early Vedic period were pantheists, worshippers of nature. The same trees were worshipped in both the Harappan sites and in the



Vedas, indicating that they shared the same culture and traditions." This is in fact a bold and authentic statement which demolishes the much touted Aryan-Dravidian theory. The book provides a long list of plants referred to in the Rig Veda (allegedly authored by the 'invading Aryans'!) which are seen in almost all the parts of India for centuries. The first chapter is dedicated to the imageries from the Indus Valley civilisation and succeeds in proving this point beyond doubt.

The chapter 'Tree worship in the Epics, Puranas, Jainism and Buddhism' narrates

Our ancestors had held the plants and trees in high esteem. They knew the importance of preserving Nature in its pristine glory. In fact, they went still further and worshipped the trees because of their medicinal properties and their economic value. The book, "Sacred Plants of India", throws light on these and many other aspects of trees in India and so it is a must read for all those Nature lovers who want to protect it.

how sacred trees are worshipped and used for their medicinal and economic values. It is interesting to note that jack fruit tree is the tree of the Kaliyuga! (The agricultural magazine, 'Adike Patrike' in Kannada, has been publishing a series of well-researched articles on the jack fruit and this can be just a coincidence). We come to know that every Jaina Tirthankara is associated with one sacred tree or the other.

The chapter titled 'Special Trees' explains the mythological and Puranic importance of plants like Kalpa Vriksha, Chaitya Vriksha and Sthala Vriksha. This chapter also lists the plants related to Asterisms and Zodiac signs. The first section ends with an interesting note on sacred groves and tree worship outside India.

The book has taxonomical details, mythological notes and lists trees that have mysterious potency of more than 80 sacred plants. Thus, the book gives unified plant information on history, mythology, science and medicine. The logical precision of information is laudable.

The trees and their rock sculptures are provided for greater understanding of the plants. The line drawings make the book look like a botany textbook, but the narration is simple and elegant. Particularly notable are the names of plants in various languages, though this could have been better than the

appendix of name-list A C Dutta's popular text book!

India's rich plant heritage is being lost. The Foundation of Revitalisation of Local Health Traditions, (FRLHT), a Bengaluru-based institution along with the Institute of Transdisciplinary Health Sciences and Technology, is an institution which is campaigning for the protection of medicinal plants of India. It has an online database of such plants, with name search facility in various Indian languages. A reading of this book along with this database will result in a deeper understanding of the subject.

The present discourses on ecology, the debate on carbon credit, the dangers of deforestation, the issue of clean energy -- all have their oblique references in Indian plant mythology. The benefits of walking around a Peepal tree, or a Tulsi plant, sleeping under a sacred tree, all point to the same: We need to preserve the forests. The Indian belief that all the plants are abodes of the divine personality itself is enough to substantiate the point that our concern for ecological concern dates back to thousands of years. To sum up, this book is a new age infosheet on Indian heritage.

Author Nandhita Krishna has also written another book 'Sacred Animals of India' which must be as interesting as this one! ♦

Hindus of the world unite! You Have Nothing to Lose...



The three-day World Hindu Congress, which began on November 21, saw deliberations on several subjects relevant to Hindu society. The conclave, organised by the Vishwa Hindu Parishad (VHP) as part of its Golden Jubilee celebrations in Delhi from November 21st to 23rd was inaugurated jointly by RSS Sarsanghachalak Mohan Bhagwat and Tibetan spiritual leader His Holiness Dalai Lama.

Addressing the inaugural ceremony of the World Hindu Congress, Shri Mohan Bhagwat said that the world always needed Hindu thoughts or Indic tradition and hence it is the responsibility of Hindus to teach and guide the world. He stated that a Hindu is someone who sees unity in all human diversity. Leadership based on Hindu values and tradition is essential for the world, he said. Shri Bhagwat said world had experimented with various models for over 2,000 years and was looking upon Hindu values to show the right way.

He said Hindus should rise in unison and show "the world leadership based on values". However, he stressed that it would not be in reaction to anything or against anybody, but in keeping with the Indian values aimed to be the teacher to the world.

Tibetan spiritual leader the Dalai Lama, called himself a good Hindu and said that a sense of oneness is needed among human beings. He said Buddhism and Hinduism are "spiritual brothers" and noted that ancient Hindu values of non-violence and religious

harmony can play a big role in spreading harmony in the world.

About 1,500 delegates, from 40 countries, attended the meeting. The delegates included those committed to working for the resurgence of Hinduism. The participants have representatives from amongst the Yazidis and Hindus of Pakistan.

Black people in US seethe in anger

The decision of a grand jury in the US state of Missouri not to charge the police officer who shot dead an unarmed black teenager named Michael Brown has outraged America's black community like never before. The jury found that no probable cause exists to file any charges against Officer Wilson and returned a no-true bill on each of the five indictments.

Tensions in the St Louis suburb of Ferguson had risen ahead of the judgment with protesters gathering to hear the long awaited jury's decision.

Lawyers speaking on behalf of Michael Brown Jr's family slammed the grand jury's decision not to pursue criminal charges against the police officer, Darren Wilson. Civil Rights activist Reverend Al Sharpton called the grand jury's decision as "not surprising" and pushed for a thorough federal investigation.

Noted American journalist Charles Blow ques-



tioned the whole process of investigation and prosecution. In an article published in the New York Times, he wrote that the jury's failure to indict the white police officer touched something deep and ancient and has angered and anguished the black community. He and several other prominent leaders of the black community have even questioned the role of the prosecutor and suggest that his performance was woefully inadequate.

The killing of Michael Brown exposes the deep-rooted malaise in American society, which has now been corroborated by a ProPublica, a Pulitzer Prize winning news investigating agency, study. An analysis in October by ProPublica of police shootings in the USA from 2010 to 2012 found that young black males are 21 times more likely to be shot dead by police officers than their white counterparts.

Witnesses say that 18-year-old Michael Brown had his arms raised in apparent surrender to the officer when he was shot. But the police version described a struggle between the teenager and the officer before his tragic death.

The incident has now become a flash point for US race relations.

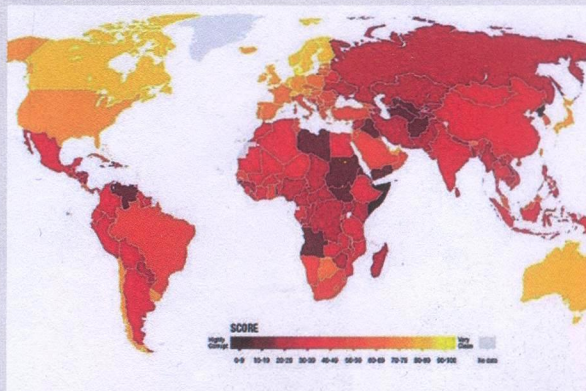
India Ranked Less Corrupt than China

This is a piece of news to cheer about. A Transparency International's (TI) annual survey says that India is less corrupt than China for the first time in 18 years. According to the survey, the nationwide outcry against corruption helped lift global perceptions of India on corruption.

In the yearly ranking of least-corrupt countries, India jumped 10 places from in its ranking last year to 85th out of the 175. China tumbled 20 places in the ranking to number 100. The last time India did better than China in the rankings was 1996.

The Berlin-based watchdog surveyed multilateral banks, big foundations and other international institutions about the level of corruption in different countries to come up with its annual Corruption Perceptions Index which was used for the rankings.

Perceptions about India were helped as anti-cor-



ruption movements and national elections focused the world's largest democracy's attention on corruption, said the Berlin-based watchdog. The call for a crackdown on corruption led to new laws and a new government. Prime Minister Narendra Modi, who spearheaded the campaign for the BJP and became Prime Minister of India, vowed to fight corruption which helped in augmenting its image, TI said.

In contrast, China's President Xi Jinping has expressed his desire to end corruption and his government has ordered the arrest of a number of high-profile political and military leaders. However, many observers are sceptical. China slipped below India after it lost more ground than almost any other country in the rankings.

The two Asian giants have had the same rankings in 2006 and 2007, but this is the first time China has slipped below India in the rankings since 1996. While it may have gained a little ground this year, India still has a long way to go before it can be ranked near the least-corrupt countries like Australia, Canada, Singapore and Denmark.

Chinese Craze for New Weapons Systems

Chinese leaders have always been obsessed with arms race, whether a threat to its security exists or not. The recent call by President Xi Jinping to the PLA for faster development of advanced new military equipment to help build a strong army is a clear example of this. China has of late stepped up its am-



bitious modernisation plan that has repercussions across the region.

Speaking at a two-day conference of the People's Liberation Army, Xi said that military reforms should be "guided by the objective of building a strong army", the official Xinhua news agency reported. Xi was quoted as saying that advanced weaponry is the embodiment of a modern army and a crucial support for national security and rejuvenation. He further said that new weapons must be innovative, practical and forward-thinking to meet the demands of actual combat and fill in the weak spots of China's existing equipment.

Xi has been pushing to strengthen the fighting ability of China's 2.3 million-strong armed forces as they project power across disputed waters in the East and South China Seas.

China has developed emerging stealth fighter technology, anti-satellite missiles and now has one aircraft carrier in operation and is planning more. China's defense spending this year is set to rise by 12.2 percent to 808.2 billion Yuan (\$131.3 billion). Analysts say that the actual defense outlays might be much more than this.

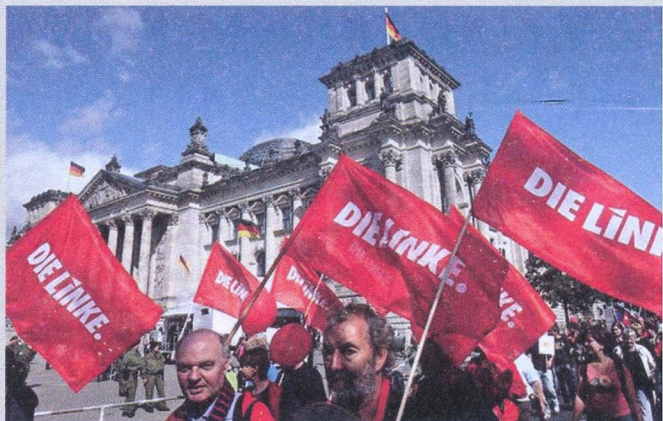
Though the Chinese defence establishment has been hit by charges of large-scale corruption, its army remains one of the most feared forces in the region. While India is far behind China in defence expenditure (\$47.4 billion), the new government has

shown some willingness in this regard by raising the FDI cap in the defence sector from 26 to 49%.

Today, the Indian armed forces are in a state of pitiful neglect. Billions of dollars would be required to put the national security systems back on rails after a decade of neglect. If all the pressing needs of the three armed forces – the Army, the Navy and the Air Force – were to be met fully, the nation would require funds in excess of \$100 billion. And this has to be managed within the next three or four years, not decades, if India has to bolster its defence and come up with a credible and effective deterrent vis-a-vis China and Pakistan.

Fears of Reds' comeback in Germany

Germany's far-Left party has returned to power in a state government for the first time since the Berlin Wall fell 25 years ago, stoking heated debate about its communist roots. The Left Party, widely seen as the successor to the Socialist Unity Party



(SED) that once ruled East Germany, will head the government of Thuringia after the state Parliament narrowly voted to approve a new coalition.

Thousands have protested in the state capital Erfurt against the prospect of the pro-Russian, anti-NATO Left assuming power.

Despite such protests, Thuringia state Parliament voted to approve Mr. Ramelow's three-way coalition

after the Social Democrats, Mrs Merkel's partner in the federal government, rejected an alliance with her Christian Democrats in the state.

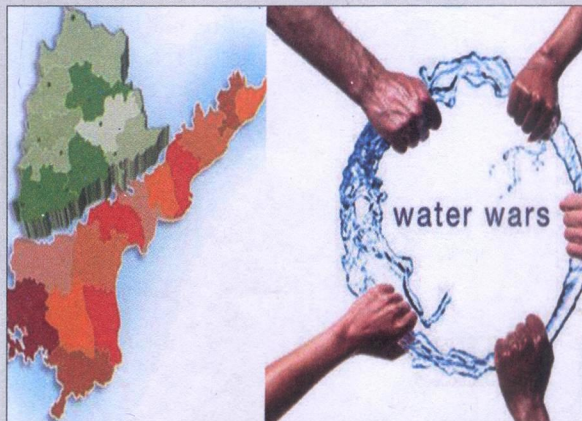
Thuringia was part of East Germany until reunification, and many have expressed dismay at the former communists' return to power. The Union of Victims' Associations of Communist Tyranny has expressed fears by saying that the Old SED (Socialist Unity Party) comrades and Stasi informers run the state. The director of the Stasi memorial in Berlin, Hubertus Knabe, said that many who were in prison in erst-while East Germany are very upset. They feel that the lessons of history have been forgotten, he said.

The German President, Joachim Gauck, chose to forsake political neutrality and spoke against the new far-left government in Thuringia. He said that people of his age who lived in the communist East Germany would find it quite hard to accept the new dispensation. Many German elders have said that they cannot fully trust the Left Party and have questioned whether the party has really distanced itself from the ideas the SED once had about the repression of people.

Water war hots up between AP and Telangana

There have been repeated allegations against each other from AP and Telangana governments over the issue of utilisation of water from the Srisailem water reservoir. Earlier, AP Chief Minister had said power generation results in depletion of water level in the reservoir with far-reaching consequences on drinking water supply and other usages. He also quoted earlier government orders, well established practices and mutual agreements on power generation and water use to highlight the issue and concerns.

Meanwhile, Harish Rao, Telangana Irrigation Minister, reiterated that they were not violating any order in generating power at Srisailem. He said that AP had used up over 60 TMC water and is now alleging misuse of water by Telangana. KRMB's order issued on October 31 limited the utilisation of Srisailem water by Telangana for power generation till November 2



to TMC.

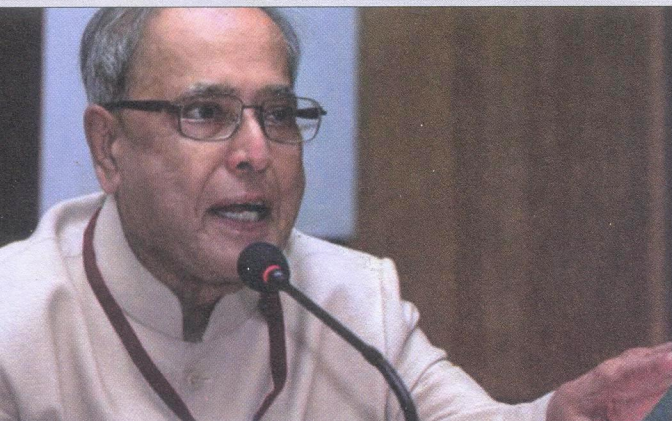
The AP government on November 9 and 10 complained about Telangana utilising more than five TMC of water till November 2. According to sources, the AP government also approached the Centre to convey that even after the deadline, the Telangana government, which is facing power shortage, had released 25,000 cusecs of water and generated over 300 MW power.

On the other hand, the Telangana government defended itself by saying that the AP chief minister, during his tenure in the undivided AP, had never followed the orders. It also stressed need for new operational guidelines and protocols for the utilisation of water from Srisailem and the Krishna water.

India should use its might: President Pranab Mukherjee

President Pranab Mukherjee has urged the security forces to be prepared to use its might to safeguard its sovereignty of the nation. Speaking at a ceremonial function and parade at Tezpur, which is one of the eminent air bases of the Indian Air Force in the eastern sector, President Pranab Mukherjee said: "To preserve peace and harmony and promote all-round development, it is imperative for us to have an effective deterrence and a strong defense." He said while the nation was firmly committed to peace, it must be equally prepared to use its might to safeguard its sovereignty, should the need arise. "Today

our nation is on the path of growth in all fields. While the nation grows and develops in all realms, the sub-continent also faces varied threats especially from



non-state actors,” he said.

Earlier, he presented the Presidential Standard, which is considered as one of the greatest honours for an Air Force Unit, to 115 Helicopter Unit and 26 Squadron of the Indian Air Force “in recognition of their selfless devotion and outstanding performance, both during the time of war and peace. He stated that the resilience and tenacity of the Air Warriors have been a source of tremendous pride for the nation. The professional excellence, grit and determination exhibited by them are highly laudable, the President said. He also appreciated the relief operations rendered by the men and women in blue in disaster-hit regions.

Overhaul in US' Immigration policy: Relief for Indians?

US President Barack Obama has overhauled the US immigration policy, which will defer deportation of thousands of undocumented immigrants and offer them work authorisation. There are an estimated 11 million illegal immigrants in the US. Because of this major shake-up unveiled by Obama, undocumented parents of children who are US citizens or legal residents will be able to apply for work permits lasting three years.

This executive order is expected to provide relief for as many as 1,70,000 Indians who are in the US illegally. It's been said that there are 4,50,000 undocumented immigrants from India. In terms of percentage, Indians are the second largest beneficiaries after the Mexicans. A large number of Indians will also get a reprieve from having to leave the country through another provision of Obama's order, which allows the spouses and children of green card holders to apply for a waiver from the illegal status — and eventually to apply for green card — without leaving the US.

Obama's sweeping immigration reform has drawn mixed reaction. While immigrants and activists who had gathered across the Southland and watched President Obama announce that he'll shield millions of people from deportation displayed quiet optimism, Republican Congressman Dana Rohrabacher, of Huntington Beach, said Obama is on the wrong side of the issue and is overstepping presi-



dential boundaries. The Republicans slammed the President's action as an overreach. Responding to the criticism by the Republican Party, commonly referred to as the GOP (Grand Old Party), the President said: “To those members of Congress who question my authority to make our immigration system work better, or question the wisdom of me acting where Congress has failed, I have one answer: pass a Bill.”